

ATTACHMENT D

SUBLEASE

This Sublease is entered into as of September 1, 1988, by and between T. L. ROBAK, INC., ("Sublessor") and GTE California Incorporated, (Sublessee") pursuant to the following terms and conditions.

RECITALS

This Sublease is entered into with reference to the following agreed facts:

A. Sublessor has entered into that certain lease for 8,640 square feet of space in a building located at 13100 Alondra Boulevard, Suite 104, Cerritos, California 90701, with Alondra Shoemaker Associates as Landlord ("Landlord") pursuant to the terms and conditions of said lease, a copy of which is attached hereto as Exhibit "A" (the "Lease") and by this reference incorporated herein.

B. Sublessee desires to sublet 1000 square feet of the premises leased by Sublessor under the Lease pursuant to the terms and conditions of this Sublease Agreement. Attached hereto as Exhibit "B" is a drawing showing the relative location of the space to be sublet to Sublessee (the "premises").

NOW THEREFORE the parties agree as follows:

1. The term of this Sublease shall be coextensive with the term of the Lease and any extension thereof and subject to the terms and conditions of the Lease relative to the term and any extension thereof stated therein. This Sublease shall terminate on the termination of the term and any extension of the Lease.

2. The parties agree that the square footage subleased to the Sublessee pursuant to this Sublease represents 11.5% of the total square footage leased to the Sublessor pursuant to the Lease. Sublessee agrees to pay Sublessor 11.5% of all sums payable as rent under the Lease (subject to all the terms and conditions of the Lease) on or before the due date of any such sums.

3. Sublessor agrees to comply with and perform all of the obligations of the Tenant set forth in the Lease applicable to the premises sublet to it under this Sublease Agreement. Any breach by Sublessee of the covenants and agreements contained in this Sublease Agreement, including the Tenant's obligations set forth in the Lease that have been assumed by the Sublessee, shall be deemed to be an act of default.

4. Except as otherwise expressly provided by law, any and all notices or other communications required or

permitted by this Sublease or by law to be served on or given to either party hereto by the other party hereto shall be in writing and shall be deemed duly served and given when personally delivered to the party to whom it is directed or to any managing employee or officer of such party or, in lieu of such personal service, when deposited in the United States mail, first-class postage prepaid, addressed to Sublessor at Post Office Box 4659, San Luis Obispo, California, 93403, or to Sublessee at One GTE Place, RC 3521 Thousand Oaks, California, 91362. Either party, Sublessor or Sublessee, may change their address for purposes of this section by giving written notice of such change to the other party in the manner provided in this section.

5. Should any litigation, including arbitration proceedings, be commenced between the parties to this Sublease concerning said premises, this Sublease, or the rights and duties of either in relation thereto, the party, Sublessor or Sublessee, prevailing in such litigation shall be entitled, in addition to such other relief as may be granted in the litigation, to a reasonable sum as and for its attorney's fees in the litigation which shall be determined by the court in such litigation or in a separate action brought for that purpose.

6. Sublessee agrees to keep all of the premises and every part thereof free and clear of any and all mechanic's, materialmen's and other liens for or arising out of or in

connection with work or labor done, services performed, or materials or appliances used or furnished for or in connection with any operations of Sublessee, any alteration, improvement or repairs or additions which Sublessee may make or permit or cause to be made, or any work or construction by, for, or permitted by Sublessee on or about the premises or any obligations of any kind incurred by Sublessee, and at all times promptly and fully to pay and discharge any and all claims upon which any such lien may or could be based, and to save and hold Sublessor and all of the premises free and harmless of and from any and all such liens and claims of liens or suits or other proceedings pertaining thereto. If Sublessee desires to contest any such lien, it shall notify Sublessor of its intention to do so within ten days after the filing of such lien. In such case, and provided that Sublessee shall upon demand protect Sublessor by a good and sufficient surety bond against any such lien and any cost, liability or damage arising out of such contest, Sublessee shall not be in default hereunder until five days after the final determination of the validity thereof, within which time Sublessee shall satisfy and discharge such lien to the extent held valid; but the satisfaction and discharge of any such lien shall not, in any case, be delayed until execution is had upon any judgment rendered thereon and such delay shall be a default of Sublessee hereunder. In the event of any such contest, Sublessee shall protect and indemnify Sublessor

against all loss, cost, expense and damage resulting therefrom.

7. By paragraph 1 of the Addendum to the Lease, Sublessor was granted an option to extend the term of the Lease for one (1) additional five-year period. Provided Sublessee is still in occupancy of the premises and is not in default under any of the terms and conditions of the Sublease, Sublessor herein grants Sublessee the same option to extend the term of the Sublease for one (1) additional five-year period subject to the terms and conditions set forth in paragraph 1 of the Addendum to the Lease.

8. By paragraph 3 of the Addendum to the Lease, Sublessor has been granted a tenant improvement allowance of \$102,530 or \$12 per square foot. Sublessor agrees that Sublessee shall receive a pro rata share of any tenant improvement allowance granted Sublessor under the Lease.

9. Sublessee shall not transfer, assign, mortgage or encumber this Sublease, by voluntary or involuntary transfer, operation of law or otherwise, or sublet all or any part of the premises without obtaining Sublessor's prior written consent, which consent shall not be unreasonably withheld.

10. This Sublease is contingent upon Sublessee's receiving approval from the Federal Communications Commission of Sublessee's application to construct broadband cable television facilities in the City of Cerritos, California.

11. This Sublease shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of each of the parties hereto, Sublessor and Sublessee.

12. Time is expressly declared to be the essence of this Sublease.

13. Should any dispute arise between Sublessee and Sublessor concerning said premises, any provision of this Sublease, or the rights and duties of either in regard thereto, the dispute shall be settled by arbitration as provided in this section. Each party, Sublessor and Sublessee, shall appoint an arbitrator and give the other written notice of the name and address of such arbitrator on the other party within five (5) days after a written demand to do so has been served on the party making the appointment by the other party to this Sublease. The two arbitrators so appointed shall, within fifteen (15) days after their appointment appoint a third arbitrator. The decision in writing of any two of the three arbitrators so appointed shall be binding and conclusive on both parties to this Sublease. The arbitrators may apportion the costs and expenses of the arbitration proceeding, including counsel fees and arbitrator's fees, between the parties to this Sublease in such a manner as any two of the three arbitrators deem just.

14. This instrument (including the Lease) constitutes the sole and only agreement between Sublessor and

Sublessee respecting said premises, the leasing of said premises to Sublessee, or the Sublease terms herein specified, and correctly sets forth the obligations of Sublessor and Sublessee to each other as of its date. Any agreements or representations respecting said premises or their leasing by Sublessor to Sublessee not expressly set forth in this instrument are null and void.

EXECUTED on the dates indicated below:

Sublessor

T. L. ROBAK, INC.

By: Tom Robak

Dated: August 18, 1988

Sublessee

GTE California Incorporated

By: Kenneth Kobs

Dated: August 30, 1988

By: [Signature]

Dated: August 30, 1988

50/008B

EXHIBIT 'A'
STANDARD FORM LEASE
(Multi-Tenant; Net)

ALONDRA SHOEMAKER ASSOCIATES		Landlord
T.L. Robak, Inc.		Tenant
Lease Summary:		
(a) Lease Date:	December 7, 1987	
(b) Landlord:	Alondra Shoemaker Associates	
(c) Address of Landlord:	3505 Cadillac Avenue, Suite O-110 Costa Mesa, California 92626	
(d) Tenant:	T.L. Robak, Inc.	
(e) Address of Tenant:	13100 Alondra Blvd, Suite 104 Cerritos, California 90701	
(f) Contact:	Thomas L. Robak/Michael Corbin	Telephone: (714) 988-7491
(g) Premises Square Footage: Approximately	8,640	Square Feet
(h) Building Address:	13100 Alondra Blvd, Suite 104 Cerritos, California 90701	
(i) Building Square Footage: Approximately	74,724	Square Feet
(j) Anticipated Commencement Date:	January 15, 1987	
(k) Term:	Ten (10) years and Zero (0) months	
(l) Monthly Rent:	7,257.60	months 87,091.20 year
(m) Security Deposit:	7,257.60	
(n) Permitted Use:	Warehousing, sales, servicing and administration offices for CATV (cable) operations and all other related lawful uses.	
(o) Brokers:	Cory W. Alder - The Seeley Company	
(p) Hiring Party:	Landlord	
(q) Tenant's Percentage:	Four percent (4%)	
(r) Exhibits:	A-1, A-2, B	
(s) Addendum:	See Addendum	

LEASE

1. Parties. THIS LEASE ("Lease"), is dated for reference purposes only as of the date set forth in Paragraph (a) of the Lease Summary and is entered into by and between the Landlord identified in Paragraph (b) of the Lease Summary ("Landlord"), whose address is set forth in Paragraph (c) of the Lease Summary and the Tenant identified in Paragraph (d) of the Lease Summary ("Tenant"), whose address is set forth in Paragraph (e) of the Lease Summary.

2. Premises. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord those certain premises consisting of a portion of that certain building located at the address set forth in Paragraph (h) of the Lease Summary and as shown on Exhibit "A-1" attached hereto, together with the property appurtenant thereto, if any; for the exclusive use of Tenant as shown on said Exhibit "A-1". Tenant shall have the right to use, on a non-exclusive basis, parking areas and driveway facilities located within the Common Area of the Project, subject to the terms of this Lease. * and Exhibit "B"

3. Definitions. The following terms shall have the following meanings in this Lease:

(a) "Alterations" shall mean any alterations, decorations, additions or improvements made in, on or about the Premises after the Commencement Date, including, but not limited to, lighting, HVAC and electrical fixtures, pipes and conduits, partitioning, drapery, wall coverings, cabinetry, carpeting and/or other floor covering, ceiling tile, fixtures and occupancy installations.

(b) "Building" shall mean that certain building identified in Paragraph (h) of the Lease Summary.

(c) "City" shall mean the city in which the Premises are located.

(d) "Commencement Date" shall mean the first day of the Term of this Lease as described in Paragraph 4(a).

(e) "Common Area" shall mean all areas and facilities within the Project exclusive of the Premises and other portions of the Project leased exclusively to other tenants. The Common Area includes, but is not limited to, striped parking areas, access and perimeter roads, sidewalks, landscaped trees and similar walk-and-walls. Tenant's use of the Common Area and its rights and obligations with respect thereto are more particularly described in Paragraph 39 below.

(f) "County" shall mean the county in which the Premises are located.

(g) "HVAC" shall mean the heating, ventilating and air conditioning system serving the Building.

(h) "Interest Rate" shall mean the greater of ten percent (10%) per annum or five percent (5%) in excess of the discount rates of the Federal Reserve Bank of San Francisco to effect on the twenty-fifth (25th) day of the calendar month immediately prior to the event giving rise to the interest Rate Implosion.

(i) "Landlord's Agents" shall mean Landlord's authorized agents, contractors, partners, subsidiaries, directors, officers and employees.

(j) "Lease Summary" shall mean the summary of Lease information set forth above.

(k) "Monthly Rent" shall mean the rent payable pursuant to Paragraph 5(c), as adjusted from time to time pursuant to the terms of the Lease.

(l) "Operating Expenses" shall mean all costs and expenses for the maintenance and operation of the Project as more particularly described in Paragraph 16(b) below.

(m) "Premises" shall mean the property leased hereby including all areas appurtenant thereto for the exclusive use of Tenant as shown on Exhibit "A-1" hereto.

(n) "Project" shall mean that certain real property, and all improvements thereon, including the Building, other buildings, if any, and related improvements as shown on Exhibit "A-2" hereto.

(o) "Real Property Taxes" shall mean any form of tax, assessment, license, fee, rent tax, levy, penalty (if a result of Tenant's delinquency), real property or other tax (other than Landlord's net income, estate, succession, inheritance, or franchise taxes), now or hereafter imposed by any authority having the direct or indirect power to tax, or by any city, county, state or federal government or any improvement district or other district or division thereof, whether such tax or any portion thereof: (i) is determined by the area of the Premises or any part thereof or the rent and other sums payable hereunder by Tenant including, but not limited to, any gross income or estate tax levied by any of the foregoing authorities with respect to receipt of such rent or other sums due under this Lease; (ii) is levied or assessed in lieu of, in substitution for, or in addition to, existing or additional taxes with respect to the Premises whether or not now customary or within the contemplation of the parties; or (iii) is based upon any legal or equitable interest of Landlord in the Premises or any part thereof.

(p) "Rent" shall mean Monthly Rent plus the Additional Rent defined in Paragraph 5(c).

(q) "Security Deposit" shall mean that amount paid by Tenant pursuant to Paragraph 7.

(r) "Tenant Improvements" shall mean those certain improvements to the Premises, if any, to be constructed pursuant hereto.

(s) "Tenant's Percentage" shall mean the percentage set forth in Paragraph (q) of the Lease Summary.

(t) "Tenant's Personal Property" shall mean Tenant's removable trade fixtures, furniture, equipment and other personal property in the Premises.

(u) "Term" shall mean that period of years and months as set forth in Paragraph (k) of the Lease Summary, as said Term may be extended pursuant to the proper exercise of any option or options to extend the Term as may be granted herein or as may be sooner terminated pursuant to any provision hereof.

4. Lease Term.

(a) Term. The Term of this Lease shall be for that period of years and months set forth in Paragraph (k) of the Lease Summary, commencing on the Anticipated Commencement Date, unless extended in accordance with any option or options to extend the Term granted herein, or unless sooner terminated pursuant to any provision hereof.

(ii) **Early Entry.** If Tenant is permitted in writing by Landlord to occupy the Premises prior to the Commencement Date for the purpose of furnishing the Building or for any other purposes permitted in such writing, such early entry shall be at Tenant's sole risk and subject to all the terms and provisions hereof, except for the payment of Monthly Rent which shall commence on the Commencement Date; Landlord shall have the right to impose such additional conditions on Tenant's early entry as Landlord shall deem appropriate, and shall further have the right to require that Tenant execute an early entry agreement containing such conditions prior to Tenant's early entry.

(c) **Delay in Possession.** Notwithstanding said Commencement Date, if for any reason Landlord cannot deliver possession of the Premises to Tenant on said date, Landlord shall not be liable to any lessee therefor, nor shall such failure affect the validity of the Lease or the obligations of Tenant hereunder or extend the Term hereof, but in such case, Tenant shall not be obligated to pay Monthly Rent until possession of the Premises is tendered to Tenant; provided, however, if Landlord shall not have delivered possession of the Premises within one hundred twenty (120) days from said Commencement Date for reasons other than those caused in whole or in part by Tenant, Tenant may, at Tenant's option, by notice in writing to Landlord within ten (10) days thereafter, cancel the Lease, in which event the parties shall be discharged from all obligations hereunder; provided further, however, that if such written notice of Tenant is not received by Landlord within said ten (10) day period, Tenant's right to cancel this Lease hereunder shall terminate and be of no further force or effect.

5. **Rent.**

(a) **Monthly Rent.** Tenant shall pay to Landlord, in lawful money of the United States, for each calendar month of the Term, the Monthly Rent set forth in Paragraph 13 of the Lease Summary, subject to adjustment as provided in Paragraph 5(c) below, in advance, on the first day of each calendar month, without deduction, discount, claim, cause, prior notice or demand. Landlord hereby acknowledges receipt of Tenant's payment of Monthly Rent for the first month of the Term. **(See addendum)**

(b) **Adjustments.** The Monthly Rent will be automatically increased effective the monthly anniversary of the Commencement Date each year during the Term of this Lease in accordance with the percentage increase, if any, in the Consumer Price Index — Urban Wage Earners and Clerical Workers (Los Angeles, Long Beach, Anaheim Area, Dates: 1967 - 1991 ("Index"), as published by the United States Department of Commerce, Bureau of Labor Statistics. The Index for the month immediately preceding the yearly anniversary of the Commencement Date of this Lease will be compared with the Index for the like month of the previous year, and the Monthly Rent shall be increased and/or decreased in accordance with the percentage increase, if any, between such Indexes. In no event, however, shall the Monthly Rent calculated as aforesaid be less than the Monthly Rent in effect for the immediately preceding year of the Term. Should said Bureau discontinue the publication of the above Index, or publish the same less frequently, or vary the method of calculation of same, or after the same in some other respects, Landlord shall adopt, at his sole discretion, a substitute index or substitute procedure which reasonably reflects and measures consumer costs. **(See addendum)**

(c) **Additional Rent.** As monies required to be paid by Tenant under this Lease, including, without limitation, Real Property Taxes payable pursuant to Paragraph 14 hereof, repair and maintenance charges payable pursuant to Paragraph 16 hereof and insurance premiums payable pursuant to Paragraph 20 hereof shall constitute Additional Rent. Landlord shall have the right to estimate and collect from Tenant in advance an amount or monthly basis any and all such Additional Rent pursuant to the provisions set forth for such procedure in Paragraphs 14(c)(iv) and (v) of this Lease.

(d) **Provisions.** If the Commencement Date is not the first (1st) day of a month, or if the expiration of the Term of this Lease is not the last day of a month, a pro-rated installment of Monthly Rent based on a thirty (30) day month shall be paid for the fractional month during which the Term commences or terminates.

6. **late Payment Charges.** Tenant acknowledges that late payment by Tenant to Landlord of Rent and other charges provided for under this Lease will cause Landlord to incur costs not compensated by the Lease, the exact amount of such costs being extremely difficult or impracticable to fix. Such costs include, but are not limited to, processing and accounting charges, and late charges that may be imposed on Landlord by the terms of any encumbrance and notes secured by any encumbrance covering the Premises, or late charges and penalties due to late payment of Real Property Taxes due on the Premises. Therefore, if any installment of Rent or any other charge due from Tenant is not received by Landlord when due, Tenant shall pay to Landlord an additional sum equal to the greater of One Hundred Dollars (\$100.00) or five percent (5%) of the amount overdue as a late charge for every month or portion thereof that the Rent or other charges remain unpaid. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Landlord will incur by reason of the late payment by Tenant. Acceptance of any late charge shall not constitute a waiver by Landlord of Tenant's default with respect to the overdue amount, and shall not prevent Landlord from exercising any of the other rights and remedies available to Landlord for any other breach of Tenant under this Lease. Notwithstanding the foregoing, upon the second occurrence during the Term of this Lease of Tenant's failure to pay Monthly Rent or Additional Rent when due, Landlord may condition its acceptance of future Rent upon a requirement that Tenant subsequently execute an amendment to this Lease which provides that Monthly Rent for the balance of the term of this Lease shall be made in quarterly installments, in advance, in an amount equal to the sum of the Monthly Rent amounts payable during such three (3) month period.

7. **Security Deposit.** Tenant has deposited with Landlord the sum set forth in Paragraph 16 of the Lease Summary as a Security Deposit for the full and faithful performance of every provision of this Lease to be performed by Tenant. If Tenant defaults with respect to any provision of this Lease, Landlord may apply all or any part of the Security Deposit for the payment of any Rent or other sum in default, the repair of such damage to the Premises or the payment of any other amount which Landlord may spend or become entitled to spend by reason of Tenant's default or to compensate Landlord for any loss or damage which Landlord may suffer by reason of Tenant's default to the full extent permitted by law. If any portion of the Security Deposit is so applied, Tenant shall, within ten (10) days after written demand thereto, deposit with Landlord an amount sufficient to restore the Security Deposit to its original amount, and Tenant's failure to do so shall be a default under this Lease. Upon any increase in the Monthly Rent during the Term, Tenant shall deposit with Landlord additional funds such that the amount of the Security Deposit held by Landlord shall at all times bear the same proportion to the then current Monthly Rent as the original Security Deposit bears to the initial Monthly Rent. Landlord shall not be required to keep the Security Deposit separate from its general funds, and Tenant shall not be entitled to interest on the Security Deposit. If Tenant is not otherwise in default, the Security Deposit or any balance thereof shall be returned to Tenant within thirty (30) days of the Termination Date.

8. **Holding Over.** If Tenant remains in possession of all or any part of the Premises after the expiration of the Term hereof with the prior written consent of Landlord, such possession shall constitute a month-to-month tenancy only and shall not constitute a renewal or extension for any further term. In such event, Monthly Rent shall be increased to an amount equal to one hundred fifty percent (150%) of the Monthly Rent payable during the last month of the Term, and any other sums due hereunder shall be payable in the amount and at the times specified in this Lease. Such month-to-month tenancy shall be subject to every other term, condition, and covenant contained herein.

9. **Conveyance of Premises.** By taking possession of the Premises, Tenant shall be deemed to have accepted the Premises in a good, clean and complete condition and ready for rental, in compliance with all applicable laws, codes and ordinances. Tenant acknowledges that neither Landlord nor Landlord's Agents has made any representations or warranties as to the suitability or fitness of the Premises for the conduct of Tenant's business or for any other purpose, and that neither Landlord nor Landlord's Agents has agreed to undertake any alterations or construct any Tenant improvements to the Premises except as expressly provided in this Lease.

10. **Use of the Premises.**

(a) **Tenant's Use.** Tenant shall use the Premises solely for the purposes set forth in Paragraph 11 of the Lease Summary and shall not use the Premises for any other purpose without obtaining the prior written consent of Landlord.

(b) **Compliance.**

(i) Tenant shall not use the Premises or suffer or permit anything to be done in or about the Premises which will in any way conflict with any law, statute, zoning restriction, ordinance or governmental law, rule, regulation or requirement of any duly constituted public authority having jurisdiction over the Premises now in force or which may hereafter be in force, or the requirements of the Board of Fire Underwriters or other similar body now or hereafter constituted relating to or affecting the condition, use or occupancy of the Premises or any covenants, conditions, easements or restrictions now or hereafter encumbering the Premises. Tenant shall not commit any static or severe nuisance or any other act or thing which might or would disturb the quiet enjoyment of any other tenant of Landlord or any occupant of nearby property. Tenant shall place no loads upon the floors, walls or ceiling in excess of the maximum designed load specified by Landlord or which may damage the Building or substructure; nor place any harmful liquids in the drainage systems; nor dump or store waste materials, refuse or other materials or allow such to remain beneath the Building proper, except in the enclosed trash areas provided.

(ii) In particular, Tenant, at its sole cost, shall comply with all laws relating to the storage, use and disposal of hazardous, toxic or radioactive material, including those materials identified in Sections 66680 through 66685 of Title 22 of the California Administrative Code, Division 4, Chapter 30 ("Title 22") as amended from time to time (collectively "Toxic Materials"). If Tenant does store, use or dispose of any Toxic Materials, Tenant shall notify Landlord in writing at least ten (10) days prior to their first appearance on the Premises and Tenant's failure to do so shall constitute a default under this Lease. Tenant shall be solely responsible for and shall defend, indemnify and hold Landlord and Landlord's Agents harmless from and against all claims, costs and liabilities, including attorneys' fees and costs, arising out of or in connection with its storage, use and disposal of Toxic Materials. Tenant shall further be solely responsible for and shall defend, indemnify and hold Landlord, Landlord's Agents and the Premises harmless from and against all claims, costs, and liabilities, including attorneys' fees and costs, arising out of or in connection with the removal, cleanup and restoration work and materials necessary to return the Premises and any other property of whatever nature to their condition existing prior to the appearance of the Toxic Materials on the Premises. Tenant's obligations hereunder shall survive the termination of this Lease.

11. **Quiet Enjoyment.** Subject to the right of any lender of record, Landlord covenants that Tenant, upon performing the terms, conditions and covenants of this Lease, shall have quiet and peaceful possession of the Premises as agent and partition claiming the same by, through or under Landlord.

12. **Alterations.**

(a) **Permitted Alterations.** After the Commencement Date, Tenant shall not make or permit any Alterations in, on or about the Premises, except for non-structural Alterations not exceeding Five Thousand Dollars (\$5,000.00) in aggregate cost over the Term of the Lease, without the prior written consent of Landlord, which consent may be withheld in Landlord's discretion. All Alterations shall be constructed pursuant to plans and specifications approved in writing by Landlord. Notwithstanding the foregoing, Tenant shall not, without the prior written consent of Landlord, make any: (i) Alterations to the exterior of the Building or the Common Areas; (ii) Alterations to or penetrations of the structural portions of the Building including, without limitation, the roof, or which will interfere with the proper functioning of any HVAC, electrical or mechanical facilities or equipment located in the Building; or (iii) Alterations visible from outside the Building to which Landlord may withhold its consent based on wholly aesthetic grounds.

All Alterations shall be installed by a licensed contractor at Tenant's sole expense in compliance with all applicable laws and regulations, conditions and requirements of record. The work shall be done in a good and workmanlike manner conforming in quality and design with the Premises existing as of the Commencement Date, and shall not diminish the value of the Premises. Tenant shall, if required by Landlord, obtain and pay for, at its own expense, a completion and insurance bond, the form and amount of which shall be subject to the approval of Landlord. All Alterations made by Tenant shall be and become the property of Landlord upon the termination thereof and shall not be deemed Tenant's Personal Property; provided, however, that Landlord may, at its option, require that Tenant, upon the termination of this Lease, at Tenant's expense, remove any or all non-structural Alterations installed by Tenant and return the Premises to its condition as of the Commencement Date of this Lease, normal wear and tear excepted. Notwithstanding any other provisions of this Lease, Tenant shall be solely responsible for the maintenance, repair and replacement of any and all Alterations made by it to the Premises.

(g) Notice. Tenant shall give Landlord written notice of Tenant's intention to perform work on the Premises which might result in any claim of lien or leasehold interest against Landlord to post and record a Notice of Nonrestoration or other notice Landlord deems proper prior to the commencement of any such work. Tenant shall not permit any mechanic's, materialman's or other liens to be filed against the property or leasehold estate thereof in connection with any work performed or any work claimed to have been performed by or at the direction of Tenant within ten (10) days from the date of the lien filing(s), then Landlord may remove such lien(s) at Tenant's expense and Tenant shall reimburse Landlord for all costs incurred by Landlord in connection with the removal of the lien(s), which amount shall be deemed Additional Rent, and shall include, without limitation, all sums disturbed, removed or deposited by Landlord, including Landlord's costs, expenses and actual attorney's fees and interest thereon at the interest rate from the date of occurrence.

13. Surrender of the Premises. Upon the expiration or earlier termination of the Lease, Tenant shall surrender the Premises to Landlord in its condition existing as of the Commencement Date, rental over and less of glass unbroken, with all interior walls in good repair and repainted if required, all carpets unsoiled and cleaned, the HVAC equipment, plumbing, electrical and other mechanical fixtures in good operating order, and all floors cleaned and swept, all to the reasonable satisfaction of Landlord. Tenant shall remove from the Premises all of Tenant's Alterations which Landlord requires Tenant to remove pursuant to Paragraph 12 and all of Tenant's Personal Property, and shall repair any damage and perform any restoration work caused by such removal; provided, however, if Tenant is then in default, Tenant shall not be entitled to remove Tenant's Personal Property except as specified by written notice delivered by Landlord to Tenant. If Tenant fails to remove such Alterations and Tenant's Personal Property which Tenant is authorized and obligated to remove pursuant to the above, and such failure continues after the termination of this Lease, Landlord may retain such property and all rights of Tenant with respect to it shall cease, or Landlord may store all or any portion of such property in public storage for Tenant's account. Tenant shall pay to Landlord, upon demand, the costs of removal of any such Alterations and Tenant's Personal Property and storage and transportation costs of same, and the cost of repairing and restoring the Premises, together with attorney's fees and interest on said amounts at the interest rate from the date of expenditure by Landlord. If the Premises are not so surrendered at the termination of this Lease, Tenant hereby agrees to indemnify Landlord and its Agents against all loss or liability resulting from entry by Tenant in so terminating the Premises, including, without limitation, any claims made by any succeeding Tenant, losses to Landlord due to lost opportunity to lease to succeeding tenants, and actual attorney's fees and costs.

14. Real and Personal Property Taxes.

(a) Payment by Tenant. Tenant shall pay, as Additional Rent, all Real Property Taxes and personal property taxes now or hereafter levied against the Premises and Tenant's Personal Property during the Term as the same become due and payable. Landlord agrees to forward to Tenant copies of all notices and tax bills pertaining to the Premises upon receipt. At least fifteen (15) days before the due date, Tenant shall pay to Landlord the full amount of such Real Property Taxes as shown on said notices and bills. If Tenant shall fail to timely pay any Real Property Taxes or personal property taxes, Landlord shall have the right, but not the obligation, to: (i) pay the same, in which case Tenant shall immediately repay such amount to Landlord including interest at the interest Rate from the date paid by Landlord until the date of payment by Tenant; and (ii) exercise any and all remedies available to Landlord pursuant to Paragraph 25. Tenant may contest the amount or validity of any Real Property Taxes by appropriate proceedings; provided that Tenant shall promptly pay such taxes unless such proceedings shall operate to prevent or stay the collection of the tax so contested. Landlord shall join in any such proceedings if any law shall so require, providing that Tenant shall indemnify Landlord against any liability, cost or expense in connection therewith, including, without limitation, actual attorney's fees and costs.

(b) Apportionment. If the Premises are not assessed as a separate parcel, Landlord shall equitably apportion the Real Property Taxes assessed against the real property which includes the Premises based upon the ratio of the square footage of the Premises to the square footage of all buildings in the Project, and Tenant shall pay the amount of Real Property Taxes apportioned to the Premises.

(c) Tax on Improvements. Tenant shall pay any increase in Real Property Taxes attributable to any and all Alterations and Tenant Improvements of any kind whatsoever placed in, on or about the Premises for the benefit of, at the request of, or by Tenant.

(d) Prorations. Tenant's liability to pay Real Property Taxes shall be prorated on the basis of a 365 day year to account for any fractional portion of a fiscal tax year included as the commencement or expiration of the Term. With respect to any assessments which may be levied against or upon the Premises, or which under the laws then in force may be evidenced by improvements or other bonds or may be paid in annual installments, only the amount of such annual installment (with appropriate addition for any partial year) and interest due thereon shall be included within the computation of the annual Real Property Taxes levied against the Premises.

(e) Payment on Expiration of Term. If this Lease terminates on a date earlier than the end of a fiscal tax year, Landlord shall deliver to Tenant a statement setting forth the amount of Real Property Taxes to be paid by Tenant prorated to the date of termination. Tenant shall pay to Landlord such prorated amount within five (5) days of Tenant's receipt of the statement.

(f) Personal Property Taxes. Tenant shall pay prior to due date any and all taxes assessed or levied against Tenant's Personal Property in, on or about the Premises. When possible, Tenant shall cause its Personal Property to be assessed and taxed separately from the real or personal property of Landlord.

(g) Failure to Pay. Tenant's failure to pay any of the charges required to be paid under this Paragraph shall constitute a material default under this Lease.

15. Utilities and Services. Tenant shall be responsible for and shall pay promptly all charges for water, gas, electricity, sewer, heat, light, power, telephone, refuse pickup, janitorial services and all other utilities, materials and services furnished directly to or used by Tenant in, on or about the Premises during the Term, together with any taxes thereon. Landlord shall not be liable in damages or otherwise for any failure or interruption of any utility or other service furnished to the Premises. No such failure or interruption shall entitle Tenant to terminate this Lease or withhold or abate Rent or other sums due hereunder.

16. Operating Expenses, Repairs and Maintenance.

(a) Tenant to Bear Share of Operating Expenses.

(i) Tenant shall pay to Landlord as hereinafter provided, Tenant's Percentage of "Operating Expenses", as defined in Paragraph 16(b) below, "Tenant's Percentage", as set forth in Paragraph (c) of the Lease Summary, as the percentage that the gross square feet of the floor area of the Premises bears to the total gross square footage of the floor area of lesseeable space within the Project.

(j) Prior to the commencement of each calendar year, Landlord shall give Tenant a written estimate of Tenant's Percentage of Operating Expenses for the ensuing calendar year. Tenant shall pay its estimated share of Operating Expenses in equal monthly installments in advance, on or before the first day of each month. Within thirty (30) days after the end of each calendar year (or such shorter interval as Landlord shall select), Landlord shall furnish Tenant a statement showing in reasonable detail, the actual Operating Expenses for the Project incurred for the period in question and the parties shall within thirty (30) days thereafter, make payment or allowances necessary to adjust Tenant's estimated payments to the actual Tenant's Percentage of Operating Expenses as shown by the applicable periodic statements submitted to Tenant by Landlord.

(k) If Landlord shall determine at any time or from time to time that the estimate of Tenant's Percentage of Operating Expenses for the current calendar year is, or will become inadequate to meet Tenant's share of such Operating Expenses for any reason, Landlord shall immediately determine the appropriate amount of such inadequacy and issue a supplemental estimate as to Tenant's Percentage of Operating Expenses, and Tenant shall pay said increase in the estimated Tenant's Percentage of Operating Expenses as reflected by such supplemental estimate.

(l) Landlord shall keep or cause to be kept separate and complete books of accounting covering costs and expenses of operating and maintaining the Common Area and other portions of the Project which Landlord is required to maintain and repair and showing the method of calculating Tenant's Percentage of Operating Expenses, and shall preserve for at least twenty-four (24) months after the close of each fiscal year all vouchers, invoices, statements or periodic reports, and other papers evidencing said costs and expenses for that calendar year. Tenant, at its sole cost and expense through any certified public accountant designated by it, shall have the right to examine and/or audit the books and other documents mentioned above evidencing such costs and expenses for the previous one (1) calendar years, during reasonable business hours and not more frequently than once during any calendar year.

(m) Definition of the Operating Expenses. The term "Operating Expenses" as used herein shall mean all costs and expenses incurred in connection with the maintenance and operation of the Project, which costs shall include, without limitation, repair and maintenance to the roof and the exterior walls of the buildings in the Project, periodic painting of the buildings in the Project, landscaping services, HVAC maintenance contracts and general maintenance of the HVAC, heating, maintenance services, repairs to and replacement of asphalt paving, bumpers, striking, light bulbs, light standards, guard and directional signs and lighting systems, perimeter walls, sidewalks, driveways, landscaping and sprinkler system in planting areas, any and all assessments levied against the Project pursuant to any recorded covenants, conditions and restrictions, water, electrical and other utility services thereto; removal of trash, rubbish and other refuse from the Project, cleaning of and replacement of signs of the Project, including resurfacing and repairs made as required; maintenance of all of the Common Areas from any obstructions not reasonably required for the Common Areas uses, including the prohibition of the sale or display of merchandise or the storing of materials and/or equipment in the Common Areas, payment of all electrical, water and other utility charges or fees for services furnished to Common Areas; obtaining and maintaining public liability, property damage and other forms of insurance which Landlord may or is required to maintain; establishment of reasonable reserves for replacements and/or repair of Common Area improvements, equipment and supplies; employment of such personnel as Landlord may deem reasonably necessary, if any, to direct, maintain and police the Common Area and facilities; depreciation of machinery and equipment used in connection with the maintenance and operation of the Common Area; depreciation of Common Area improvements to cover the costs of replacement and reconstruction thereof from time to time as needed; employment of personnel used in connection with the operation, maintenance and repair of the Common Area including payment or provision for unemployment insurance, worker's compensation insurance and other employee costs; the cost of bookkeeping and accounting and legal services provided in connection with the operation and maintenance of the Common Area by Landlord; any other items reasonably necessary from time to time to properly repair, replace, maintain and operate the Common Area within the Project and any interest paid in connection therewith, and a management fee to cover Landlord's management, overhead and administrative expenses. Notwithstanding the foregoing, if Landlord elects to delegate its duties hereunder to a professional property manager, then Landlord shall not be entitled to receive any management fee (except for any costs and/or administrative and overhead expenses reasonably incurred by Landlord in "monitoring" and "auditing" the performance delegated to the professional property manager as contemplated herein which costs and/or expenses shall be reimbursed to Landlord as incurred and billed) but under such circumstances any reasonable amounts paid to the professional property manager shall be added to and deemed a part of the Operating Expenses.

(n) Repairs and Maintenance.

(o) Tenant shall, subject to Landlord's obligations as hereunder provided, at all times during the Term of this Lease or any extension thereof, and at Tenant's sole cost and expense, keep, maintain and repair the Premises and every portion thereof and every improvement therein, in good and sanitary order and condition (unless wear and tear excepted), including without limitation all necessary maintenance and repairs to all portions of the Premises, and at expense, as price, window cleanings, show window cleanings, oil paintings, doors, doormats, door closers, or hardware, fixtures, equipment, electrical lighting and systems, plumbing and plumbing fixtures, ducts, pipes, wiring, conduits and all required air conditioning and heating systems repairs, exclusive of normal maintenance services.

(ii) Landlord shall, subject to receiving Tenant's contributions as called for in Paragraph 16(a) above, maintain in good and sanitary condition and repair the roof of the Building in which the Premises are located and the normal maintenance services for the HVAC for the Premises, if any, and permit the exterior of the Building within which the Premises are located as and when such cleaning becomes reasonably necessary in Landlord's sole discretion. Landlord shall not be required to make any repairs to the roof unless and until Tenant has notified Landlord in writing of the need for such repair and Landlord shall have a reasonable period of time thereafter to commence and complete said repair.

(iii) Tenant hereby waives all right to make repairs at the expense of Landlord and further hereby waives all rights provided for by the Civil Code of State of California, as amended from time to time, to make said repairs.

(iv) Tenant agrees that it will not, nor will it authorize any person to go onto the roof of the Building of which the Premises are a part without the prior written consent of Landlord.

(d) **Action by Landlord If Tenant Fails to Maintain.** If Tenant refuses or neglects to repair and maintain the Premises property as required hereunder and in the reasonable judgment of Landlord, Landlord at any time following ten (10) days from the date on which Landlord shall make a written demand on Tenant to effect such repair and maintenance, may enter upon the Premises and make such repairs and/or maintenance without liability to Tenant for any loss or damage that may accrue to Tenant's merchandise, fixtures or other property or to Tenant's business by reason thereof, and upon completion thereof, Tenant shall pay to Landlord, Landlord's costs for making such repairs plus twenty percent (20%) for overhead, upon presentation of a bill therefor, as Additional Rent. Said bill shall include interest at the Interest Rate on said costs from the date of completion of the maintenance and repairs by Landlord.

(e) **Compliance with Governmental Regulations.** Tenant shall, at its own cost and expense, promptly and properly observe and comply with, including the making by Tenant of any Addendum to the Premises, of present and future orders, regulations, directions, rules, ordinances, and requirements of all governmental authorities (including, without limitation, state, municipal, county and federal governments and their departments, bureaus, boards and officials) among them the use or occupancy of, or applicable to, the Premises or any leased abutment to or in connection with the enjoyment of the Premises.

(f) **Failure to Pay.** Tenant's failure timely to pay any of the charges in connection with the performance of its maintenance and repair obligations to be paid under this Paragraph shall constitute a material default under this Lease.

17. **Premises.** Tenant shall, at its own expense, provide, install and maintain in good condition all its Personal Property required in the conduct of its business in the Premises.

18. **Landlord's Right to Enter the Premises.** Tenant shall permit Landlord and Landlord's Agents to enter the Premises at all reasonable times upon reasonable notice, except for emergencies in which case no notice shall be required, to inspect the same, to post Notices of Non-Habitation and similar notices and signs concerning the availability of the Premises for lease, to show the Premises to interested parties such as prospective lessees and purchasers, to make necessary alterations or repairs, to exchange Tenant's equipment hereunder when Tenant has failed to do so within a reasonable time after written notice from Landlord, and at any reasonable time after one hundred eighty (180) days prior to the expiration of the Term, to place upon the Premises such reasonable signs indicating availability of the Premises for lease and to show the Premises to prospective tenants. The above rights are subject to reasonable security regulations of Tenant, and to the requirement that Landlord shall at all times act in a manner to cause the least possible interference with Tenant's business.

19. **Signs.** Landlord shall designate the location on the Premises, if any, for one or more exterior Tenant identification signs; Tenant shall have no right to maintain Tenant identification signs in any other location in, on or about the Premises and shall not display or erect any other signs, displays or other advertising materials that are visible from the exterior of the Building. The size, design, color and other physical aspects of permitted sign(s) shall be subject to the Landlord's written approval prior to installation, which approval may be withheld in Landlord's discretion, any covenants, conditions or restrictions encumbering the Premises and any applicable municipal or other governmental permits and approvals. The cost of the sign(s), including the installation, maintenance and removal thereof shall be at Tenant's sole cost and expense. If Tenant fails to maintain its sign(s), or if Tenant fails to remove same upon termination of this Lease and incur any damage caused by such removal (including, without limitation, repairing the Building, if required by Landlord), Landlord may do so at Tenant's expense. Tenant shall reimburse Landlord for all costs incurred by Landlord to effect such removal, which amounts shall be deemed Additional Rent, and shall include, without limitation, all sums disbursed, incurred or deposited by Landlord including Landlord's costs, expenses and actual attorneys' fees with interest thereon at the Interest Rate.

20. **Indemnity; Insurance.**

(a) **Indemnification.** Tenant hereby agrees to defend with attorneys acceptable to Landlord, indemnify and hold harmless Landlord and Landlord's Agents from and against any and all damage to the Premises, Building or Project and any and all damage, loss, liability and expense including, without limitation, actual attorneys' fees and legal costs incurred directly or by reason of any claim, suit or judgment brought by or on behalf of any person or persons for damage, loss or damage due to, but not limited to, bodily injury or property damage sustained by such person or persons which arise out of, are occasioned by, or are in any way attributable to the use or occupancy of the Premises, the acts or omissions of the Tenant, its agents, employees or contractors, except to the extent caused by the gross negligence or willful misconduct of Landlord. Tenant agrees that the covenants of Tenant herein that survive the expiration or earlier termination of this Lease.

(b) **Insuring Party.** As used in this Paragraph the term "insuring party" shall mean the party designated in the Lease Summary who has the obligation to obtain the property insurance required hereunder. If Landlord is the insuring party, Landlord shall not be required to name Tenant as an additional insured under any such policy. Whether the insuring party is Landlord or Tenant, Tenant shall, as Additional Rent for the Premises, pay the cost of all insurance required hereunder. If Landlord is the insuring party, Tenant shall, within ten (10) days following demand by Landlord, reimburse Landlord for the cost of the insurance so obtained.

(c) **Tenant's Insurance.** Tenant agrees to maintain in full force and effect at all times during the Term, at its own expense, for the protection of Tenant and Landlord, as their interests may appear, policies of insurance issued by a carrier or carriers acceptable to Landlord and its lender(s) of record which afford the following coverages: (i) workers' compensation; statutory funds; (ii) employer's liability; as required by law; (iii) comprehensive general liability insurance including blanket contractual liability, broad form property damage, personal injury, completed operations, products liability, and fire damage of not less than Two Million Dollars (\$2,000,000.00) with a combined single limit for both bodily injury and property damage and naming Landlord, Landlord's Agents and mortgagees as additional insureds; (iv) boiler and machinery insurance including, but not limited to, steam pipes, pressure pipes, condensate return pipes and other pressure vessels and HVAC equipment, with limits per accident of not less than the replacement cost of all leasehold improvements and of all boilers, pressure vessels, HVAC equipment and mechanical electrical and mechanical equipment on the Premises; (v) plate glass insurance, if applicable; and (vi) such other insurance, in such form and amounts as may be reasonably required by Landlord or its lender(s) from time to time.

(d) **Property Insurance.** The insuring party shall obtain and keep in force during the Term of this Lease a policy or policies of insurance covering loss or damage to the Premises, in the amount of the full replacement cost thereof, at the same may exist from time to time, but in no event less than the total amount required by lender(s) having senior(s) on the Premises, special or parts included within the classification of fire, extended coverage, vandalism, malicious mischief, flood (if required by any lender(s) having senior(s) on the Premises), and special extended parts ("all risk" as such term is used in the insurance industry). Said insurance shall provide for payment of loss thereto to Landlord or to the holders of mortgages or deeds of trust on the Premises. The insuring party shall, in addition, obtain and keep in force during the Term of this Lease a policy of rental value insurance covering a period of one (1) year, with loss payable to Landlord, which insurance shall also cover all real estate taxes and insurance costs for said period. A stipulated value or agreed amount endorsement deleting the automatic provision of the policy shall be prepared with said insurance as well as an automatic increase in insurance endorsement causing the increase in annual property insurance coverage by 2% per quarter. If such insurance coverage has a deductible clause, the deductible amount shall not exceed One Thousand Dollars (\$1,000) per occurrence, and Tenant shall be liable for such deductible amount. If the Premises are part of a larger building, or if the Premises are part of a group of buildings owned by Landlord which are adjacent to the Premises, then Tenant shall pay for any increase in the property insurance of such other building or buildings if said increase is caused by Tenant's acts, omissions, use or occupancy of the Premises. If the Landlord is the insuring party, Landlord will not insure Tenant's fixtures, equipment or Tenant Improvements the insurance for which shall be obtained by Tenant, at its sole cost and expense.

(e) **Deductibles.** Any policy of insurance required of Tenant pursuant to this Lease containing a deductible must be approved in writing by Landlord prior to the issuance of such policy it being understood and agreed that Tenant shall be solely responsible for the payment of any such deductible.

(f) **Certificates.** Tenant shall deliver to Landlord at least thirty (30) days prior to the time such insurance is first required to be carried by Tenant, and thereafter at least thirty (30) days prior to expiration of each such policy, certificates of insurance evidencing the above coverage with limits not less than those specified above. The certificates shall expressly provide that the interest of Landlord therein shall not be affected by any breach of Tenant of any policy provision for which such certificates evidence coverage.

(g) **Increased Coverage.** Upon demand, Tenant shall provide Landlord, at Tenant's expense, with such increased amounts of existing insurance, and such other insurance as Landlord or Landlord's lender(s) may reasonably require.

(h) **Co-Insurance.** If, on account of the failure of Tenant to comply with the foregoing provisions, Landlord is adjudged a co-insurer by its insurance carrier, then, any loss or damage Landlord shall sustain by reason thereof, including attorneys' fees and costs, shall be borne by Tenant and shall be immediately paid by Tenant upon receipt of a bill therefor and evidence of such loss.

(i) **Subrogacy of Coverage.** Neither Landlord nor Landlord's Agents makes any representation that the limits of liability specified to be carried by Tenant under this Lease are adequate to protect Tenant. If Tenant believes that any such insurance coverage is insufficient, Tenant shall provide, at its own expense, such additional insurance as Tenant deems adequate.

(j) **Insurance Requirements.** All such insurance: (i) shall be in a form satisfactory to Landlord and its lender(s) and shall be carried with companies that have a general policyholder's rating of not less than "A" and a financial rating of not less than Class "X" in the most current edition of Best's Insurance Reports; (ii) shall provide that such policies shall not be subject to material alteration or cancellation except after at least thirty (30) days' prior written notice to Landlord; and (iii) shall be primary as to Landlord. The policy or policies, or duly executed certificates for them, together with satisfactory evidence of payment of the premium therefor shall be deposited with Landlord prior to the Commencement Date, and upon renewal of such policies not less than thirty (30) days prior to the expiration of the term of such coverage. If Tenant fails to procure and maintain the insurance required to be procured by Tenant hereunder, Landlord may, but shall not be required to, order such insurance at Tenant's expense and Tenant shall reimburse Landlord for all costs incurred by Landlord with respect thereto. Tenant's reimbursement to Landlord for such amounts shall be deemed Additional Rent, and shall include all sums disbursed, incurred or deposited by Landlord including Landlord's costs, expenses and actual attorneys' fees, with interest thereon at the Interest Rate.

(k) **Landlord's Disclaimer.** Landlord and Landlord's Agents shall not be liable for any loss or damage to persons or property resulting from fire, explosion, falling plaster, glass, ice or snow, steam, gas, electricity, water or rain which may leak from any part of the Premises, or from the pipes, appliances or plumbing works therein or from the roof, sheet or subsurface or whatsoever, unless caused by or due to the gross negligence or willful acts of Landlord. Landlord and Landlord's Agents shall not be liable for infringement with light or air, or for any latent defect in the Premises. Tenant shall give prompt written notice to Landlord in case of a casualty, accident or repair needed to the Premises or Common Area.

(l) **Failure to Pay.** The failure of Tenant to obtain and pay for any insurance required to be obtained and paid for by it hereunder shall constitute a material default under this Lease.

21. **Waiver of Subrogation.** Landlord and Tenant each hereby waive all rights of recovery against the other on account of loss and damage occasioned to such working party to its property or the property of others under its control to the extent that such loss or damage is insured against under any insurance policies in force at the time of such loss or damage. Tenant and Landlord shall, upon obtaining proof of insurance required hereunder, give notice to the insurance carrier that the foregoing mutual waiver of subrogation is contained in this Lease and Tenant and Landlord shall cause such insurance policy obtained by such party to provide that the insurance company waives all right of recovery by way of subrogation against either Landlord or Tenant in connection with any damage covered by such policy.

22. **Damages or Destruction.**

(a) **Landlord's Obligation to Repair.** If the Premises are damaged or destroyed, Landlord shall promptly and diligently repair the Premises unless it has the right to terminate this Lease as provided in subparagraph (b) next below and it elects to so terminate.

(b) **Landlord's Right to Terminate.** Landlord shall have the right to terminate this Lease following damage to or destruction of the Premises if any of the following events: (i) insurance proceeds together with additional amounts Tenant agrees to contribute are not available to Landlord to pay one hundred percent (100%) of the cost to fully repair the damaged Premises, excluding the deductible for which Tenant shall also be responsible; (ii) the Premises cannot be reasonably repaired, be duly repaired by Landlord within one hundred eighty (180) days after the date of the damage or destruction; (iii) the Premises cannot be reasonably repaired because of the presence of hazardous factors, including, but not limited to, asbestos, lead paint, radon, chemical waste and other similar dangers; (iv) the Premises are destroyed or damaged during the last twelve (12) months of the Term; or (v) Tenant is in default under the terms of this Lease at the time of such damage or destruction.

If Landlord elects to terminate this Lease, Landlord may give Tenant written notice of its election to terminate within thirty (30) days after it has knowledge of such damage or destruction, and the Lease shall terminate fifteen (15) days after the date Tenant receives such notice. If the Lease is terminated, Landlord shall, subject to the rights of its landlord(s) to be entitled to receive and retain all the insurance proceeds resulting from such damage, except for those proceeds payable under policies obtained by Tenant which specifically insure Tenant's Personal Property, if Landlord elects not to terminate the Lease, Landlord shall, promptly following the date of such damage or destruction and receipt of amounts required of Tenant pursuant to subparagraph (b)(i) above, commence the process of obtaining necessary permits and approvals, and shall commence repair of the Premises as soon as practicable and thereafter prosecute the same diligently to completion, at which event the Lease will continue in full force and effect.

(c) **Limited Obligation to Repair.** Landlord's obligation, should it occur or be obligated to repair or rebuild, shall be limited to the Premises and Tenant Improvements, and Tenant shall, at its expense, replace or fully repair all Tenant's Personal Property and any Alterations installed by Tenant existing at the time of such damage or destruction. If the Premises are to be repaired in accordance with the foregoing, Landlord shall make available to Tenant any portion of the insurance proceeds it receives which are allocable to the Alterations constructed by Tenant pursuant to this Lease provided Tenant is not then in default.

(d) **Absentment of Rent.** Rent shall be temporarily abated proportionately, but only to the extent of any proceeds received by Landlord from rental statement insurance described in Paragraph 20(d), during any period when, by reason of such damage or destruction, Landlord reasonably determines that there is substantial interruption with Tenant's use of the Building. Such abatement shall commence upon such damage or destruction and end upon substantial completion by Landlord of the repair or reconstruction which Landlord is obligated or undertakes to do. Tenant shall not be entitled to any compensation or damages from Landlord for loss of the use of the Premises, damage to Tenant's Personal Property or any inconvenience occasioned by such damage, repair or restoration. Tenant hereby waives the provisions of Section 1932(2) and Section 1933(4) of the California Civil Code, and the provisions of any similar law hereinafter enacted.

(e) **Replacement Cost.** The determination in good faith by Landlord of the estimated cost of repair of any damage, of the replacement cost, or of the time period required for repair shall be conclusive for purposes of this Paragraph.

23. **Condemnation.**

(a) **Total Taking — Termination.** If up to all of the Premises or so much thereof is taken for any public or quasi-public use under any statute or by right of eminent domain so that reconstruction of the Premises will not result in the Premises being reasonably suitable for Tenant's continued occupancy for the uses and purposes permitted by this Lease, the Lease shall terminate as of the date possession of the Premises or part thereof is taken.

(b) **Partial Taking.** If any part of the Premises is taken and the remaining part is reasonably suitable for Tenant's continued occupancy for the purposes and uses permitted by this Lease, the Lease shall, as to the part so taken, terminate as of the date that possession of such part of the Premises is taken and the Monthly Rent shall be reduced in the same proportion that the floor area of the portion of the Building so taken bears to the original floor area of the Building. Landlord shall, at its own cost and expense, make all necessary repairs or alterations to the Building so as to make the portion of the Building not taken a separate annunciated unit. Such work shall not, however, exceed the scope of the work done by Landlord in originally constructing the Building. Monthly Rent due and payable hereunder shall be temporarily abated during such restoration period in proportion to the degree to which Tenant's use of the Premises is impaired. Each party hereby waives the provisions of Section 1288, 130 of the California Code of Civil Procedure allowing either party to petition the Superior Court to terminate this Lease in the event of a partial taking of the Building or Premises.

(c) **No Apportionment of Award.** No award for any partial or total taking shall be apportioned, it being agreed and understood that Landlord shall be entitled to the entire award for any partial or total taking. Tenant assigns to Landlord its interest in any award which may be made in such taking or condemnation, together with any and all rights of Tenant arising in or to the same or any part thereof. Nothing contained herein shall be deemed to give Landlord any interest in or require Tenant to assign to Landlord any separate award made to Tenant for the taking of Tenant's Personal Property, for the interruption of Tenant's business, or for moving costs, or for the loss of its goodwill.

(d) **Temporary Taking.** No temporary taking of the Premises shall terminate this Lease or give Tenant any right to any abatement of Rent. Any award made to Tenant by reason of such temporary taking shall belong entirely to Tenant and Landlord shall not be entitled to share therein. Each party agrees to execute and deliver to the other all instruments that may be required to effectuate the provisions of this subparagraph.

(e) **Sale Under Threat or Condemnation.** A sale by Landlord to any authority having the power of eminent domain, either under threat of condemnation or while condemnation proceedings are pending, shall be deemed a taking under the power of eminent domain for all purposes of this Paragraph.

24. **Assignment and Subletting.**

(a) **Prohibition.** Tenant shall not assign, mortgage, hypothecate, encumber, grant any license or concession, pledge or otherwise transfer (collectively, "assignees") the Lease, in whole or in part, nor sublet or permit occupancy by any person other than Tenant of all or any part of the Premises, without the prior written consent of Landlord in each instance, which consent shall not be unreasonably withheld. Any purported assignment or subletting contrary to the provisions hereof without consent shall be void. The consent of Landlord to any assignment or subletting shall not constitute a waiver of the necessity for such consent to any subsequent assignment or subletting. As Assigned Rent hereunder, Tenant shall reimburse Landlord for actual legal and other expenses incurred by Landlord in connection with any request by Tenant for consent to assignment or subletting, in connection with any proposed assignment or sublease. Tenant shall submit to Landlord in writing: (i) the name of the proposed assignee or sublessee; (ii) such information as to such assignee's or sublessee's financial responsibility and standing as Landlord may reasonably require; (iii) the proposed use of the Premises by such assignee or sublessee; (iv) all of the terms and conditions upon which the proposed assignment or subletting is to be made; and (v) an instrument of assignment or sublease wherein such assignee or sublessee assumes all of Tenant's obligations hereunder and agrees to be bound by the terms hereof.

(b) **Sublease/Sublease Rental or Assignment Consideration.** If for any sublease or assignment, Tenant receives rent or other consideration, either initially or over the term of the sublease or assignment, in excess of the Monthly Rent stated for hereunder, or in case of the sublease of a portion of the Premises, in excess of such Monthly Rent fairly allocable to such portion, promptly following its receipt thereof, Tenant shall pay to Landlord, as Additional Rent hereunder, seventy-five percent (75%) of the excess of each such payment of rent or other consideration in excess of the Monthly Rent called for hereunder.

(c) **Sequestration.** The prohibition against assigning or subletting contained in this Paragraph shall be construed to include a prohibition against any assignment or subletting by operation of law, whether voluntary or involuntary. If this Lease be assigned, or if the underlying beneficial interest of Tenant be transferred, or if the Premises or any part thereof be sublet or occupied by any person other than Tenant, Landlord may collect rent from the assignee, subtenant or occupant and apply the net amount collected to the Monthly Rent herein reserved and apportion any excess rent so collected in accordance with the terms of subparagraph (b) next above, but no such assignment, subletting, occupancy or collection shall be deemed a waiver of this covenant, or the acceptance of the assignee, subtenant or occupant as tenant, or a release of Tenant from the further performance by Tenant of covenants on the part of Tenant herein contained. No assignment or subletting shall affect the continuing primary liability of Tenant (which, following assignment, shall be joint and several with the assignee), and Tenant shall not be released from performing any of the terms, covenants and conditions of this Lease.

(d) **Waiver.** Notwithstanding any assignment or sublease, or any indulgences, waivers or extensions of time granted by Landlord to any assignee or sublessee, or failure by Landlord to take action against any assignee or sublessee, Tenant waives notice of any default of any assignee or sublessee and agrees that Landlord may, at its option, proceed against Tenant without having taken action against or joined such assignee or sublessee, except that Tenant shall have the benefit of any indulgences, waivers and extensions of time granted to any such assignee or sublessee.

25. **Default.**

(a) **Tenant's Default.** At the option of Landlord, a default under this Lease by Tenant shall exist if any of the following events shall occur: (i) if Tenant shall have failed to pay Rent or any other sum required to be paid hereunder when due; or (ii) if Tenant shall have failed to perform any term, covenants or condition of this Lease other than those requiring the payment of money, and Tenant shall have failed to cure such failure within fifteen (15) days after written notice from Landlord where such failure could reasonably be cured within such fifteen (15) day period; provided, however, that where such failure could not reasonably be cured within the fifteen (15) day period, that Tenant shall not be in default if it has commenced such cure within the fifteen (15) day period and diligently thereafter prosecutes the same to completion which in all events must occur within sixty (60) days thereafter; (iii) if Tenant shall have assigned its assets for the benefit of its creditors; (iv) if the sequestration or attachment or execution on any material part of Tenant's Personal Property essential to the conduct of Tenant's business shall have occurred, and Tenant shall have failed to obtain a return or release of such Personal Property within thirty (30) days thereafter, or prior to sale pursuant to such sequestration, attachment or levy, whenever is earlier; (v) if Tenant shall have failed to continuously or uninterrupted conduct its business in the Premises, or shall have abandoned or vacated the Premises; (vi) if a court shall have made or entered any decree or order other than under the bankruptcy laws of the United States or any state adjudging Tenant to be bankrupt; or appointing as properly filed a person seeking reorganization of Tenant; or dissolving the winding up or liquidation of Tenant and such decree or order shall have concluded for a period of thirty (30) days; (vi) the filing of a voluntary petition in Bankruptcy by Tenant, a voluntary petition for arrangement, a voluntary or involuntary petition for reorganization, or the filing of an involuntary petition by Tenant's creditors, immediately (unless involuntary, in which case when the petition remains undischarged for a period of thirty (30) days); (vii) if Tenant shall have failed to timely comply with the provisions of Paragraphs 26 or 29 of this Lease.

(b) **Remedies.** Upon a default, Landlord shall have the following remedies, in addition to all other rights and remedies provided by law in equity or otherwise provided in this Lease, to which Landlord may resort cumulatively or in the alternative: (i) Landlord may continue this Lease in full force and effect, and this Lease shall continue in full force and effect as long as Landlord does not terminate this Lease, and Landlord shall have the right to collect Rent when due; (ii) Landlord may, with or without terminating this Lease, re-enter the Premises and remove all persons and property from the Premises, such property may be

removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant. No re-entry or taking possession of the Premises by Landlord pursuant to this subsubsection shall be construed as an option to terminate this Lease unless a written notice of such intention is given to Tenant; (e) Landlord may terminate Tenant's right to possession of the Premises at any time by giving written notice to Tenant, and retain the Premises or any part thereof. Tenant shall be liable immediately to Landlord for all costs Landlord incurs in removing the Premises or any part thereof, including, without limitation, brokers' commissions, expenses of cleaning, remodelling, and further improving the Premises and the costs. Cleaning may be for a period shorter or longer than the remaining Term of this Lease. No act by Landlord other than giving written notice to Tenant shall terminate the Lease. Act of Maintenance, efforts to retain the Premises or the commencement of a receiver on Landlord's behalf to protect Landlord's interest under this Lease shall not constitute a termination of Tenant's right to possession. Upon termination, Landlord shall have the right to remove all of Tenant's Personal Property and store same at Tenant's cost and to recover from Tenant its storage; (A) the worth at the time of award of any unpaid Rent and other sums due and payable which had been earned at the time of termination; plus (B) the worth at the time of award of the amount by which the unpaid Rent and other sums which would have been accrued after termination until the time of award of the amount by which the unpaid Rent and other sums due for the balance of the Term after the time of award exceeds the amount of such Rent less that Tenant proves could be reasonably foreseen plus (C) any other amounts to compensate Landlord for all the damage reasonably caused by Tenant's failure to perform Tenant's obligations under this Lease, or which, in the ordinary course of things, would be likely to result therefrom, including, without limitation, any costs or expenses incurred by Landlord; (D) retaining possession of the Premises; (E) in remodelling, repairing, preserving, restoring, replacing, clearing, cleaning or remodelling the Premises or any portion thereof, including such acts for relating to a new tenant or tenancy; (F) for legal expenses; or (G) for any other sums necessary or appropriate to protect the Premises; plus (H) at Landlord's election, such other amounts and remedies in addition to or in lieu of the foregoing as may be permitted from time to time by the laws of the State of California including, without limitation, the remedies provided by California Civil Code Section 1951.4, as amended from time to time.

The "worth at the time of award" of the amounts referred to in subparagraphs (a)(B)(A) and (B)(B)(B) above is computed by offering interest at the interest rate on the unpaid Rent and other sums due and payable from the termination date through the date of award. The "worth at the time of award" of the amount referred to in subparagraph (B)(B)(C) is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%). Tenant waives renunciation or relief from forfeiture under California Code of Civil Procedure Sections 1174 and 1178, or under any other present or future law, in the event Tenant is evicted or Landlord takes possession of the Premises by reason of any default of Tenant hereunder.

(d) **Landlord's Default.** Landlord shall not be deemed to be in default in the performance of any obligation required to be performed by it hereunder unless and until it has failed to perform such obligation within thirty (30) days after receipt of written notice by Tenant to Landlord (and its agents) of record who have provided Tenant with notice specifying the nature of such default provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, then Landlord shall not be deemed to be in default if it shall commence such performance within such thirty (30) day period and thereafter diligently prosecute the same to completion.

26. **Substitution.** Without the necessity of any additional documents being executed by Tenant for the purpose of effecting a subordination, and at the election of Landlord or any bank, life insurance or deed of trust beneficiary who is a tenant on all or any part of the Premises or any ground lessor with respect to the land on which the Premises are a part, this Lease shall be subject and subordinate at all times to: (i) all ground leases or underlying leases which may now exist or hereafter be executed affecting the Building or the land upon which the Building is situated or built, and (ii) the lien of any mortgage or deed of trust which may now exist or hereafter be executed in any amount for which the Building, land, ground leases or underlying leases, or Landlord's interest or estate in any of said items is accepted as security. Notwithstanding the foregoing, Landlord or any such ground lessor, mortgagee, or beneficiary shall have the right to subordinate or cause to be subordinated any such ground leases or underlying leases or any such liens to this Lease. If any ground lease or underlying lease terminates for any reason or any mortgage or deed of trust is foreclosed or a conveyance in lieu of foreclosure is made to any person, Tenant shall, notwithstanding any subordination and upon the request of such successor in interest to Landlord, claim to and become the Tenant of the successor in interest to Landlord. Tenant covenants and agrees to execute and deliver, within ten (10) days following a demand by Landlord and in the form requested by Landlord, ground lessor, mortgagee or beneficiary, any additional documents evidencing the priority or subordination of this Lease with respect to any such ground leases or underlying leases or the lien of any such mortgage or deed of trust. Tenant's failure to timely execute and deliver such additional documents shall, at Landlord's option, constitute an additional default hereunder. Tenant hereby irrevocably appoints Landlord as attorney-in-fact on a blank, which appointment is coupled with an interest, to execute, deliver and record any such documents in the name and on behalf of Tenant.

27. **Notices.** Any notice or demand required or desired to be given under this Lease shall be in writing and shall be personally served or in lieu of personal service may be given by mail, if given by mail, such notice shall be deemed to have been given when seventy-two (72) hours have elapsed from the time when such notice was deposited in the United States mail, registered or certified, postage prepaid, return receipt requested, addressed to the party to be served. At the date of execution of this Lease, the addresses of Landlord and Tenant are as set forth in Paragraph 1. After the Commencement Date, the address of Tenant shall be the address of the Premises. Either party may change its address by giving notice of same in accordance with this Paragraph.

28. **Attorneys' Fees.** If either party brings any action or legal proceeding for damages for an alleged breach of any provision of this Lease, to recover Rent or other sums due, to terminate this Lease or to enforce, protect or vindicate any term, condition or covenant of this Lease or the right of either party hereunder or at law, the prevailing party shall be entitled to recover as a part of such action or proceedings, or in a separate action brought for that purpose, actual attorneys' fees and costs.

29. **Estoppel Certificates.** Tenant shall within seven (7) days following written request by Landlord:

(a) **Tenant Obligations.** Execute and deliver to Landlord any documents, including estoppel certificates, in a form prepared by Landlord (i) certifying that this Lease is unexpired and in full force and effect or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect and the date to which the Rent and other charges are paid in advance, if any; (ii) acknowledging that there are not, to Tenant's knowledge, any uncured defaults as the part of the Landlord or stating the nature of any uncured defaults; (iii) endorsing the status of the Lease as may be required either by a lender making a loan to Landlord to be secured by deed of trust or mortgage covering the Premises or a purchaser of the Premises from Landlord; (iv) certifying the current Monthly Rent amount and the amount and term of Security Deposit on deposit with Landlord; and (v) certifying to such other information as Landlord, Landlord's Agents, mortgagees, prospective mortgagees and purchasers may reasonably request.

Tenant's failure to deliver an estoppel certificate within seven (7) days after delivery of Landlord's written request therefor shall be conclusive upon Tenant: (i) that this Lease is in full force and effect, without modification except as may be represented by Landlord; (ii) that there are now no uncured defaults in Landlord's performance; (iii) that not more than one (1) month's Monthly Rent has been paid in advance; and (iv) that the other information requested by Landlord is correct as stated in the form presented by Landlord.

Tenant hereby irrevocably appoints Landlord as Tenant's attorney-in-fact, which appointment is coupled with an interest, to act in Tenant's name, place and stead to execute such estoppel certificates on Tenant's behalf.

(b) **Financial Information.** Deliver to Landlord the current financial statements of Tenant, and financial statements of the two (2) years prior to the current financial statement's year, with an unaudited opinion of a certified public accountant, including a balance sheet and profit and loss statement for the most recent year, all prepared in accordance with generally accepted accounting principles consistently applied.

30. **Transfer of the Premises by Landlord.** Upon any conveyance of the Premises and assignment by Landlord of this Lease, Landlord shall be and is hereby entirely released from all liability under any and all of its covenants and obligations contained in or derived from this Lease occurring after the date of such conveyance and assignment, and Tenant agrees to claim to any entity purchasing or otherwise acquiring the Premises.

31. **Landlord's Right to Perform Tenant's Covenants.** If Tenant shall at any time fail to make any payment or perform any other act on its part to be made or performed under this Lease, Landlord may, but shall not be obligated to and without waiving or releasing Tenant from any obligation of Tenant under this Lease, make such payment or perform such other act to the extent Landlord may deem desirable, and in connection therewith, pay expenses and employ counsel. All sums so paid by Landlord and all penalties, interest and costs in connection therewith shall be due and payable by Tenant to Landlord on the next day after such payment by Landlord, together with interest thereon at the interest Rate from such date to the date of payment thereof by Tenant to Landlord, plus collection costs and attorney's fees. Landlord shall have the same rights and remedies for the nonpayment thereof as in the case of default in the payment of Rent.

32. **Tenant's Recovery.** The obligations of Landlord do not constitute the personal obligation of the individual partners, trustees, directors, officers or shareholders of Landlord or its constituent partners. If Landlord shall fail to perform any covenant, term, or condition of this Lease upon Landlord's part to be performed, Tenant shall be required to deliver to Landlord written notice of the same. It, as a consequence of such default, Tenant shall recover a money judgment against Landlord, such judgment plus be satisfied only out of the proceeds of sale received upon execution of such judgment and levied execution against the right, title and interest of Landlord in the Premises and out of Rent or other income from such property receivable by Landlord or out of consideration received by Landlord from the sale or other disposition of all or any part of Landlord's right, title or interest in the Premises, and no action for any deficiency may be sought or obtained by Tenant.

33. **Mortgage Protection.** Upon any default on the part of Landlord, Tenant will give notice by registered or certified mail to any beneficiary of a deed of trust or mortgage of a mortgage covering the Premises who has predated Tenant with notice of their interest together with an address for receiving notice, and shall offer such beneficiary or mortgagee a reasonable opportunity to cure the default (which, in no event shall be less than ninety (90) days), including time to obtain possession of the Premises by power of sale or a trustee foreclosure, if such should prove necessary to effect a cure. Tenant agrees that each lender to whom this Lease has been assigned by Landlord is an express third party beneficiary hereof. Tenant shall not make any prepayment of Monthly Rent more than one (1) month in advance without the prior written consent of each such lender. Tenant waives the collection of any deposit from such lender(s) or any purchaser at a foreclosure sale of such lender(s) deed of trust unless the lender(s) or such purchaser shall have actually received and not refunded the deposit. Tenant agrees to make all payments under the Lease to the lender with the most senior enforcement upon receiving a direction, in writing, to pay said amounts to such lender. Tenant shall comply with such written direction to pay without determining whether an event of default exists under such lender's loan to Landlord.

34. **Brokers.** Landlord and Tenant each warrant and represent, to the other that neither has had any dealings with any real estate broker, agent or finder in connection with the negotiation of this Lease or the introduction of the parties to this transaction, except for the brokers identified in Paragraph (c) of the Lease Summary, and that it knows of no other real estate broker, agent or finder who is or might be entitled to a commission or fee in connection with this Lease. In the event of any such additional claims for brokers' or finders' fees with regard to this Lease, then Tenant shall indemnify, save harmless and defend Landlord from and against such claims if they shall be based upon any statement or representation or agreement by Tenant, and Landlord shall indemnify, save harmless and defend Tenant if such claims shall be based upon any statement, representation or agreement made by Landlord.

35. **Examination of Lease.** Submission of this Lease for examination or signature by Tenant does not create a reservation of or option to Lease. This Lease shall only become effective and binding upon full execution hereof by both Landlord and Tenant.

36. **Recording.** Tenant shall not record this Lease nor a short form memorandum thereof without Landlord's prior written consent.

37. **Chancery.** Upon any termination of this Lease, Tenant shall, at Landlord's request, execute, have acknowledged and deliver to Landlord a quietus deed of the Premises.

ADDENDUM TO STANDARD FORM LEASE

T. L. ROBAK, INC.

THIS ADDENDUM TO STANDARD FORM LEASE ("Addendum") is attached to and made a part of that certain Standard Form Lease ("Lease") dated ~~October~~ July, 1987, by and between ALONDRA SHOEMAKER ASSOCIATES, a California general partnership, as "Landlord" and T.L. ROBAK, INC. as "Tenant." In the event of any conflict or inconsistency between the terms and provisions of this Addendum and the terms and provisions of the Lease, the terms and provisions of this Addendum shall control. Unless otherwise defined in this Addendum, capitalized terms used in this Addendum shall have the same meaning as set forth in the Lease.

I. Paragraph 4(a). (Lease Term). The following sentences are hereby added to Paragraph 4(a) of the Lease:

Option to Extend Term. Provided Tenant is still in occupancy of the Premises and is not in default under any of the terms and conditions of this Lease, Tenant shall have the option to extend said Lease for one (1) additional five year period ("Option Term") under the same terms and conditions set forth herein with the exception of the monthly rent which shall be adjusted at the beginning of the Option Term to equal one hundred percent (100%) of the fair market value of the premises. The monthly rent shall also be increased by the Consumer Price Index (CPI) Urban Wage Earners and Clerical Workers as provided by the U.S. Bureau of Labor Statistics for the Los Angeles, Long Beach, Anaheim area ("Index"), Base: 1967 = 100. The monthly rent shall also be increased by the CPI effective on the first (1st) day of the thirty-first (31st) month of the Option Term in accordance with the method listed above to reflect the percentage change in the C.P.I. from the first day of the Option Term. In no event, however, shall the newly adjusted rental be less than the rent for the month immediately preceding the change.

Notification of intention to exercise said Option will be accomplished in writing no later than one hundred eighty (180) days prior to the expiration of the lease term. Tenant's rights to extend the term shall, at Landlord's election, terminate and be of no further force or effect, notwithstanding Tenant's due and timely exercise of an Option if, after such exercise of such Option and prior to the commencement of the applicable Option Term, Tenant defaults in his obligations under this Lease and all applicable cure periods expire without cure. The option to extend the term of this Lease contained herein is personal to Tenant and may not be exercised or be assigned to any person or entity other than Tenant without the prior written consent of Landlord in accordance with Paragraph 24 of the Lease and in no event will be enforceable by any sublessee of the premises.

The fair market rental value of the premises at the beginning of the Option Term shall be determined in accordance with the following: The parties shall have twenty (20) days after Landlord receives notice from Tenant that Tenant intends to exercise an option hereunder, within which to agree on the fair market rental value of the premises upon which to base the initial monthly rent for the Option Term. If the parties agree on the fair market rental value, they shall promptly execute an appropriate amendment to the Lease reflecting the exercise of the Option Term and the initial monthly rent. However, if the parties are unable to agree on the fair market rental value then within ten (10) days after the expiration of the period, each party, at its cost and by giving notice to the other party, shall appoint an MAI appraiser with at least five (5) years full-time industrial appraisal experience in the area in which the premises are located to appraise and set the fair market rental value. If a party does not appoint an appraiser within five (5) days after the other party has given notice of the same of its appraiser, the single appraiser appointed shall be the sole appraiser and set the fair market rental value. If the two appraisers are appointed by the parties as stated in this paragraph, they shall meet promptly and attempt to mutually determine the fair market rental value of the premises.

ADDENDUM TO STANDARD FORM LEASE

T.L. ROBAK, INC.

THIS ADDENDUM TO STANDARD FORM LEASE ("Addendum") is attached to and made a part of that certain Standard Form Lease (Lease") dated ~~October 7~~, 1987, by and between ALONDRA SHOEMAKER ASSOCIATES, a California general partnership, as "Landlord" and T.L. ROBAK, INC. as "Tenant." In the event of any conflict or inconsistency between the terms and provisions of this Addendum and the terms and provisions of the Lease, the terms and provisions of this Addendum shall control. Unless otherwise defined in this Addendum, capitalized terms used in this Addendum shall have the same meaning as set forth in the Lease.

I. Paragraph 4(a). (Lessee Term). The following sentences are hereby added to Paragraph 4(a) of the Lease:

Option to Extend Term. Provided Tenant is still in occupancy of the Premises and is not in default under any of the terms and conditions of this Lease, Tenant shall have the option to extend said Lease for one (1) additional five year period ("Option Term") under the same terms and conditions set forth herein with the exception of the monthly rent which shall be adjusted at the beginning of the Option Term to equal one hundred percent (100%) of the fair market value of the premises. The monthly rent shall also be increased by the Consumer Price Index (CPI) Urban Wage Earners and Clerical Workers as provided by the U.S. Bureau of Labor Statistics for the Los Angeles, Long Beach, Anaheim area ("Index"). Base: 1967 = 100. The monthly rent shall also be increased by the CPI effective on the first (1st) day of the thirty-first (31st) month of the Option Term in accordance with the method listed above to reflect the percentage change in the C.P.I. from the first day of the Option Term. In no event, however, shall the newly adjusted rental be less than the rent for the month immediately preceding the change.

Notification of intention to exercise said Option will be accomplished in writing no later than one hundred eighty (180) days prior to the expiration of the lease term. Tenant's rights to extend the term shall, at Landlord's election, terminate and be of no further force or effect, notwithstanding Tenant's due and timely exercise of an Option if, after such exercise of such Option and prior to the commencement of the applicable Option Term, Tenant defaults in his obligations under this Lease and all applicable cure periods expire without cure. The option to extend the term of this Lease contained herein is personal to Tenant and may not be exercised or be assigned to any person or entity other than Tenant without the prior written consent of Landlord in accordance with Paragraph 24 of the Lease and in no event will be enforceable by any sublessee of the premises.

The fair market rental value of the premises at the beginning of the Option Term shall be determined in accordance with the following: The parties shall have twenty (20) days after Landlord receives notice from Tenant that Tenant intends to exercise an option hereunder, within which to agree on the fair market rental value of the premises upon which to base the initial monthly rent for the Option Term. If the parties agree on the fair market rental value, they shall promptly execute an appropriate amendment to the Lease reflecting the exercise of the Option Term and the initial monthly rent. However, if the parties are unable to agree on the fair market rental value then within ten (10) days after the expiration of the period, each party, at its cost and by giving notice to the other party, shall appoint an MAI appraiser with at least five (5) years full-time industrial appraisal experience in the area in which the premises are located to appraise and set the fair market rental value. If a party does not appoint an appraiser within five (5) days after the other party has given notice of the same of its appraiser, the single appraiser appointed shall be the sole appraiser and set the fair market rental value. If the two appraisers are appointed by the parties as stated in this paragraph, they shall meet promptly and attempt to mutually determine the fair market rental value of the premises.

35. **Modifications for Landlord.** If, in connection with obtaining financing for the Premises or any portion thereof, Landlord's lender shall request reasonable modifications to this Lease as a condition to such financing, Tenant shall not unreasonably withhold, delay or defer its consent thereto, provided such modifications do not materially adversely affect Tenant's rights hereunder.

36. **Parking and Use of Common Area and Pavilions.**

(a) **Grant of Non-Exclusive Common Area License and Right.** Landlord hereby grants to Tenant and its successors and assigns, a non-exclusive license and right for Tenant and its permitted subtenants, in common with Landlord and all persons, firms and corporations conducting business in the Project and their respective customers, guests, licensees, visitors, subtenants, employees and agents, to use the Common Area within the Project for voluntary parking, for promotion and volunteer purposes, events and travel, and for such other purposes and for doing such other things as may be provided for, authorized and/or permitted by any covenants, conditions, easements or restrictions now or hereafter encumbering the Premises, such non-exclusive license and right to be subordinate to Tenant's household license in and to the leased Premises created by this Lease. The non-exclusive license and right granted pursuant to the provisions of this Paragraph shall be subject to any and all covenants, conditions, easements and restrictions now or hereafter encumbering the Premises, which pertain in any way to the Common Area covered by such circumstances; and the provisions of this Lease.

(b) **Use of Common Area.** Notwithstanding anything to the contrary herein, Tenant agrees for itself and for its successors, assigns, employees, and agents that it and they shall use the Common Area within the Project only for the purposes permitted hereby and by any covenants, conditions, easements or restrictions now or hereafter encumbering the Premises. It is understood that all uses permitted within the Common Area shall be undertaken with reason and judgment as to not to interfere with the primary use of said Common Area which is to provide parking and vehicles and pedestrian access throughout the Common Area within the Project and to adjacent public streets for the Landlord, its tenants, subtenants and all persons, firms and corporations conducting business within the Project and their respective customers, guests, and licensees. In no event shall Tenant erect or cause to be erected any structure, building, trailer, tent, stall, sign or other obstruction on the Common Area within the Project except as otherwise permitted herein or by any covenants, conditions or restrictions now or hereafter encumbering the Premises nor shall Tenant store or sell any merchandise, equipment and/or materials on the Common Area within the Project.

(c) **Control and Maintenance of Common Area.**

(i) Subject to provisions of any covenants, conditions, easements or restrictions now or hereafter encumbering the Premises, it is understood and agreed that all Common Areas within the Project and all improvements located from time to time within such Common Areas, are for the general use, in common, of the Landlord and its tenants and subtenants and all persons, firms and corporations conducting business in the Project and their respective customers, guests, licensees, visitors, employees and agents, and shall at all times be subject to the exclusive control and management of the Landlord.

(ii) Landlord shall have the right to construct, maintain and repair lighting facilities within the Common Area; to police the Common Area from time to time; to charge the area, level, location and arrangement of the parking areas and other improvements within the Common Area; to regulate parking by tenants, their visitors, agents and employees to employee parking areas; to enforce parking charges (by operation of meters or otherwise); to clean all or any portion of the Common Area or improvements thereon to such extent as may, in the opinion of counsel for Landlord, be legally sufficient to prevent a dedication thereof or the denial of any rights to any person or to the public therein; to close temporarily all or any portion of the Common Area and/or the improvements thereon; to discontinue non-resident parking; and to do and perform such other acts as in and to said Common Area and improvements thereon as, in the use of good business judgment, Landlord shall determine to be advisable.

(iii) Subject to the provisions of any covenants, conditions, and restrictions now or hereafter encumbering the Premises, Landlord shall operate and maintain at costs to be operated and maintained, the Common Area within the Project in such a manner as Landlord in its sole discretion shall determine from time to time. Without limiting the scope of such discretion, Landlord shall have the full right and authority to employ or cause to be employed all personnel and to name or cause to be made all rules and regulations pertaining to or necessary for the proper operation and maintenance of the Common Area and the improvements located thereon.

(iv) It is hereby further agreed that the use of the Common Area by Tenant, its permitted subtenants, if any, and their respective customers, guests, licensees, visitors, employees and agents may and shall be restricted such that no part of the Common Area may be used for the storage of any items, including without limitation, vehicles, materials, inventory and/or equipment. All trash and other refuse shall be placed in designated receptacles. There shall be no overnight parking of any vehicles of any kind, and vehicles which have been abandoned or parked in violation of the terms hereof may be towed away at the owner's expense. No work of any kind, including, without limitation, painting, drying, cleaning, repairing, manufacturing, assembling, cutting, merchandising and/or displaying shall be permitted. Parking within the Common Area shall be limited to signed parking stalls, and no parking shall be permitted in any driveways, accessways or in any area which would prohibit or impede the free flow of traffic within the Common Area.

(v) Any use of the Common Area in violation of the requirements set forth hereinabove shall constitute a material default under this Lease.

(vi) **Revocation of Licenses.** All Common Areas and improvements located therein which Tenant is permitted to use and occupy pursuant to the provisions of this Lease, are to be used and occupied under a renewable license and right, and if any such license be revoked, or if the amount of such lease be diminished, Landlord shall not be subject to any liability nor shall Tenant be entitled to compensation or diminution of rent, nor shall such revocation or diminution of such areas be deemed compensatory or actual eviction. It is understood and agreed that the condemnation or other taking or appropriation by any public or quasi-public authority, or sale in law of condemnation, of all or any portion of the Common Area within the Project, shall not constitute a violation of Landlord's agreements hereunder, nor shall Tenant be entitled to participate in or make any claim for any award or other condemnation proceeds arising from any such taking or appropriation of the Common Area.

(vii) **Landlord's Reserved Rights.** Provided Landlord does not unreasonably interfere with Tenant's use of the Premises, Landlord reserves the right to retain, use, maintain, repair, relocate and replace pipes, ducts, conduits, wiring and appurtenant meters and equipment included in the Premises or outside the Premises; change the boundary lines of the Project and install, use, maintain, repair, alter or relocate, expand and replace any Common Area. Such right of Landlord shall include, without limitation, designating from time to time certain portions of the Common Area as exclusively for the benefit of certain tenants in the Project.

40. **General.**

(a) **Captions.** The captions and headings used in this Lease are for the purpose of convenience only and shall not be construed to limit or extend the meaning of any part of this Lease.

(b) **Execution Copy.** Any duly executed copy of this Lease shall be deemed an original for all purposes.

(c) **Times.** Times of the essence for the performance of each term, condition and covenant of this Lease.

(d) **Severability.** If any one or more of the covenants contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Lease, but this Lease shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

(e) **Choice of Law.** This Lease shall be construed and enforced in accordance with the laws of the State of California. The language in all parts of this Lease shall in all cases be construed as a whole according to its fair meaning and not strictly for or against either Landlord or Tenant.

(f) **Gender; Singular, Plural.** When the context of this Lease requires, the neuter gender includes the masculine, the feminine, a partnership or corporation or joint venture, and the singular includes the plural.

(g) **Binding Effect.** The covenants and agreement contained in this Lease shall be binding on the parties hereto and on their respective successors and assigns to the extent this Lease is assignable.

(h) **Waiver.** The waiver by Landlord of any breach of any term, condition or covenant, of this Lease shall not be deemed to be a waiver of such provision or any subsequent breach of the same or any other term, condition or covenant of this Lease. The subsequent acceptance of Rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach at the time of acceptance of such payment. No covenant, term or condition of this Lease shall be deemed to have been waived by Landlord unless such waiver is in writing signed by Landlord.

(i) **Entire Agreement.** This Lease is the entire agreement between the parties, and supersedes any prior agreements, representations, negotiations or correspondence between the parties except as expressed herein. Except as otherwise provided herein, no subsequent change or addition to this Lease shall be binding unless in writing and signed by the parties hereto.

(j) **Authority.** If Tenant is a corporation or a partnership, each individual executing this Lease on behalf of said corporation or partnership, as the case may be, represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of said entity in accordance with its corporate bylaws, partnership or articles of limited partnership, as the case may be, and that the Lease is binding upon said entity in accordance with its terms. Landlord, as its option, may require a copy of such written authorization to enter into this Lease. The failure of Tenant to deliver the same to Landlord within seven (7) days of Landlord's request therefor shall be deemed a default under this Lease.

(k) **Exhibits.** All exhibits, amendments, riders and addenda attached hereto are hereby incorporated herein and made a part hereof.

(l) **Lease Summary.** The Lease Summary at the beginning of this Lease is intended to provide general information only. In the event of any inconsistency between the Lease Summary and the specific provisions of this Lease, the specific provisions of the Lease shall prevail.

41. **Other Provisions:**

Tenant:

T.I. REEDER INC.

By: [Signature]

Its: President

By: [Signature]

Its: Secretary/CEO

Landlord:
ALONDRA SHOEMAKER ASSOCIATES

By: [Signature]
W. Blair Armstrong, Trustee
of the W. Blair Armstrong
Revocable Trust, dated August 13,
1987, General Partner.

By: [Signature]
Donald S. Grant, Trustee of
the Donald S. Grant Revocable
Trust, dated May 5, 1987, General
Partner.

If they are unable to agree upon such fair market rental value within twenty (20) days after the second appraiser has been appointed and the higher suggested fair market rental value is greater than the lower suggested fair market rental value by less than five percent -(5%), the appraisals shall be added together and divided by 2 with the quotient being the fair market rental value; but if the difference is five percent (5%) or greater, the appraiser shall attempt to select a third appraiser meeting the qualifications as stated in this paragraph within five (5) days after the last day the two appraisers are given to set the fair market rental value. If they are unable to agree on the third appraiser, each party may petition the Orange County Superior Court for the selection of a third appraiser who meets the qualifications as stated in this paragraph. Each of the parties shall bear one-half (1/2) of the third appraiser's fees and charges. The third appraiser, however selected, shall be a person who has not yet previously acted in any capacity for either party or for any entity or person or may be a director, trustee, officer, principal or owner of either party. Twenty (20) days after the selection of the third appraiser the three appraisers shall independently determine the fair market rental value. The average of the two appraisals nearest in value shall conclusively be deemed the fair market rental value and the initial monthly rent shall be set based thereon. Notwithstanding the foregoing, in no event shall the monthly rent be less than the monthly rent in effect during the final month of the Primary Term.

2. Paragraphs 5(a) and 5(b). (Monthly Rent Adjustments). The following sentences shall be added to Paragraph 5(a) and substituted fro Paragraph 5(b) of the Lease hereto:

Upon execution of the Lease, Tenant will pay the monthly rent for the first (1st) month of the term. Additionally, Tenant shall pay to Landlord in lawful money of the United States for each calendar month of the term the monthly rent as set forth below, in advance, on the first (1st) day of each calendar month, without abatement, deduction, claim, offset, prior notice or demand. The following monthly rent schedule shall apply to the initial term of the Lease:

Months 1 - 30	\$7,257.60
Months 31 - 60	\$7,257.60 multiplied by CPI increase*.
Months 61 - 90	Rent from Months 31 - 60 multiplied by CPI increase.
Months 91 - 120	Rent from Months 61 - 90 multiplied by CPI increase.
Months 121 - 150	Fair market value rent (Paragraph 4a).
Months 151 - 180	Rent from Months 121 - 150 multiplied by CPI increase.*

* Consumer Price Index (CPI) Urban Wage Earners and Clerical Workers (Los Angeles, Long Beach, Anaheim area, Base: 1967=100). In no event shall monthly rent at commencement of Adjustment Period be less than the monthly rent in effect during the month immediately preceding said adjustment.

3. Tenant Improvements. Landlord shall construct offices in accordance with plans to be mutually agreed upon and included as "Exhibit B" between Alondra Shoemaker Associates and T.L. Robak, INC. The budget for the tenant improvement work is \$102,530.00 or \$12.00 per square foot. If the tenant improvement work exceeds \$102,530 said amount will be amortized over initial lease term at eleven percent (11%) interest. In no event, however, shall the tenant improvement work exceed \$125,000.

TENANT:

T.L. Robak, Inc.

By: Tom Robak

Its: President

By: Roger H. Becker

Its: Secretary / CFO

LANDLORD:

Alondra Shoemaker Associates

By: See to See

Mr. Blair Armstrong, Trustee
of the B. and C. Armstrong
Revocable Trust dated
August 23, 1983, General
Partner.

By: Donald S. Grant

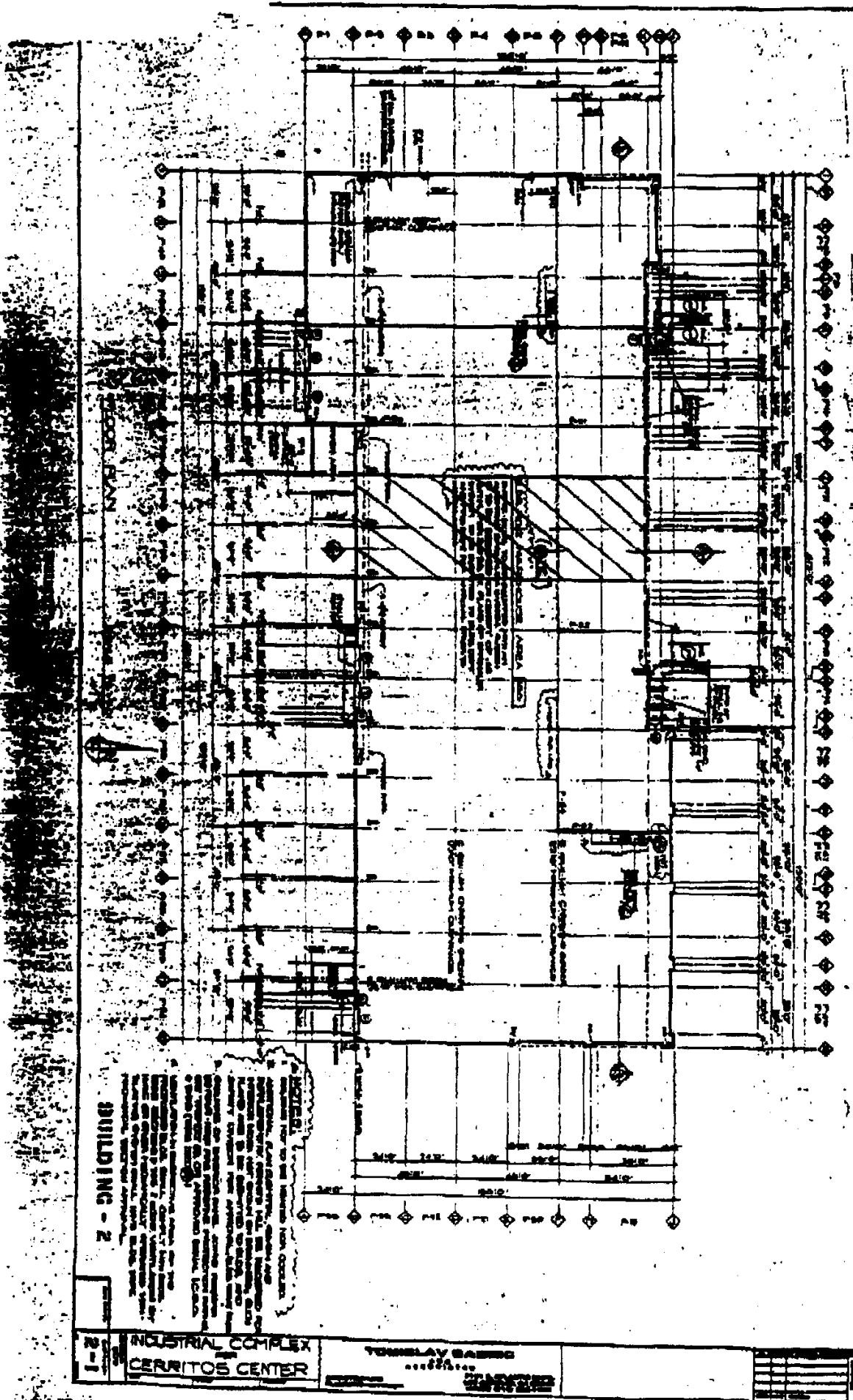
Donald S. Grant, Trustee of
the Donald S. Grant
Revocable Trust dated May 5,
1987, General Partner.

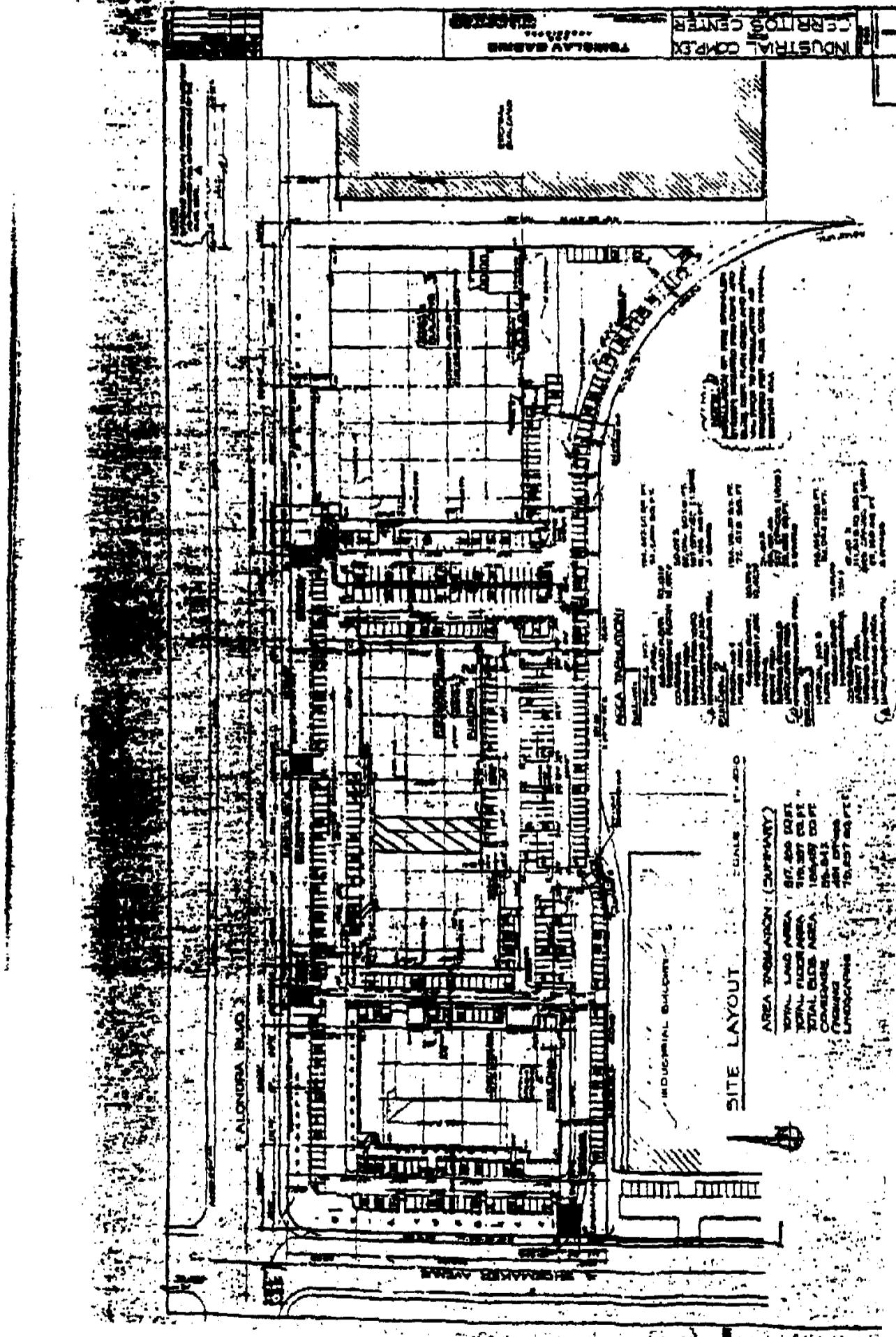
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BUILDING - 2

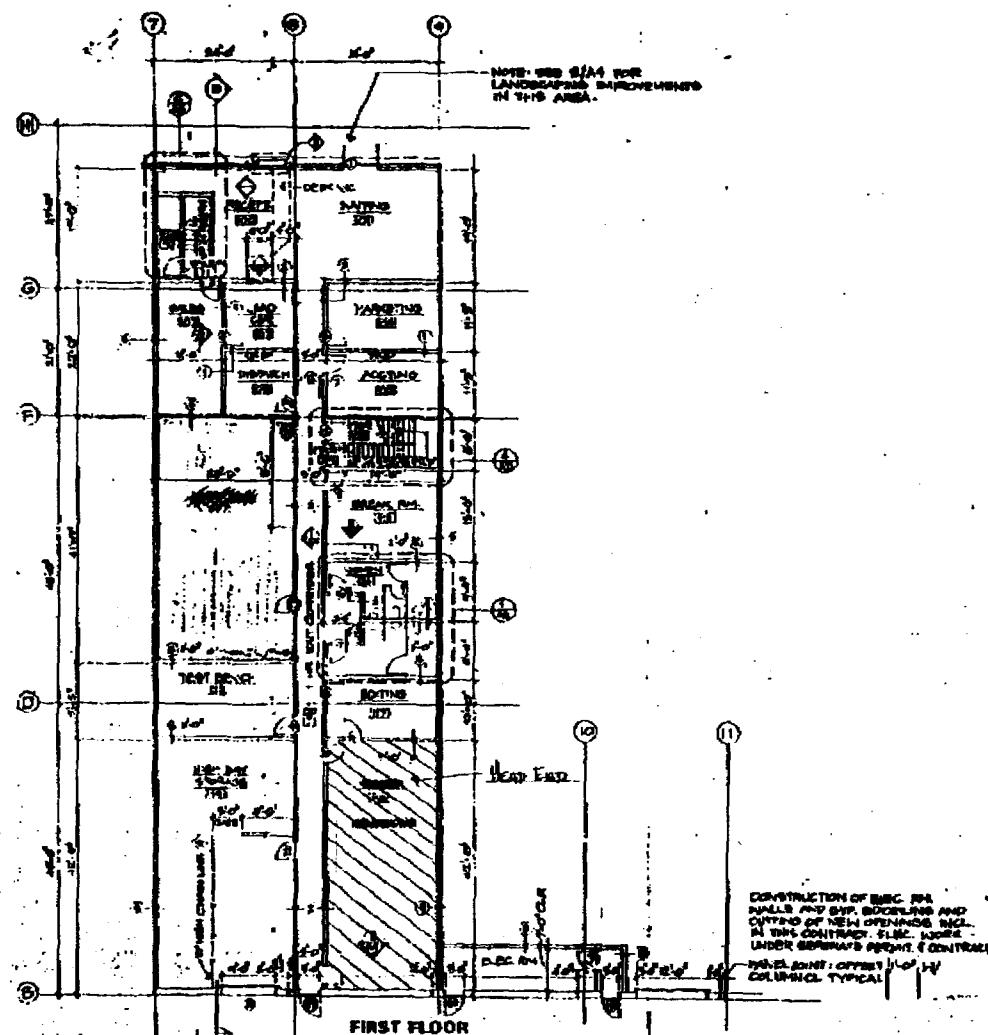
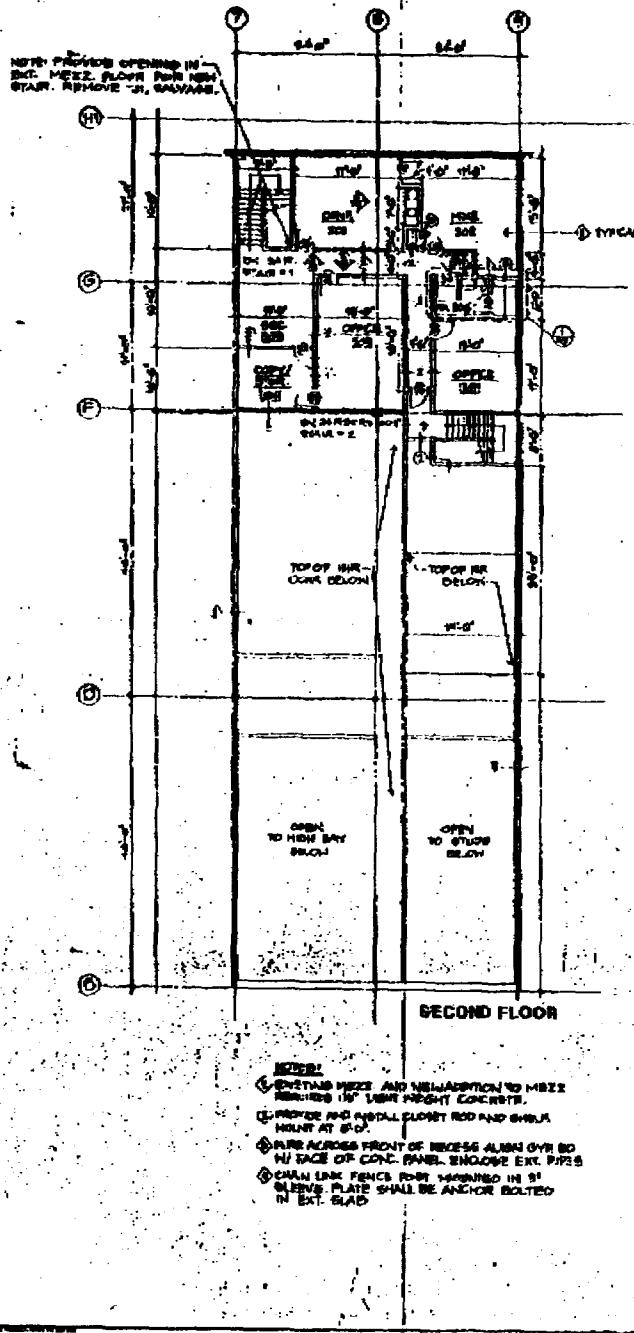
INDUSTRIAL COMPLEX
CERRITOS CENTER

TOMBLAY BASED
RENTALS





EXIT 8



8484 SF USEABLE

Page 17

CONSTRUCTION OF BLDG. #4A,
WALLS AND SHP. BRICKLAYING AND
CUTTING OF NEW OPENINGS INCL.
IN THIS CONTRACT. SAME WORK
UNDER SUPERVISORY AGENT OF CONTRACTOR.

WELL LEGEND AND SCALE

- ① METAL STRIPS STAPLED TO BACK,
BUT NOT OVERLAPPING BACK SIDE
 - ② INSIDE SURFACE OF METAL STRIP
IS COATED AT 90° BY METAL THERMOCOUPLE
LEAD WIRE WHICH IS CONNECTED TO
INSIDE SURFACE OF METAL STRIP
 - ③ INSIDE SURFACE OF METAL STRIP IS
COATED WITH A BATTY INSULATION
WITH THE BATTY INSULATION ON THE
INSIDE SURFACE SIDE ONLY, SO THAT INSULATION CAN
NOT BE REMOVED FROM ONE SIDE
 - ④ INSIDE SURFACE OF METAL STRIP IS GALVANIZED
BY COATING THE INSIDE SIDE OF METAL STRIP
IN 40% PHOSPHATE BATH
 - ⑤ DEFORMED METAL STRIPS ARE TURNED
SO THAT THEY ARE LAYERED BY TYPE METAL SO
THAT ONE COAT IS COATED AND STRUCTURAL DAMAGE
FOR SLIP CHANNEL IS MADE BY METAL STAMPING, WHICH
MAKES AN ID TO THE HEIGHT AS DEPICTED ON
THE DRAWING

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APOLLO CABLEVISION
SERVING THE
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CERRITOS

COMPARISON OF TARIFF AND CONTRACT CHARGES

[REGULATED CHARGES]

	<u>CONTRACT</u>	<u>TARIFF</u>
Lease of Bandwidth/ Apollo's 39 Channels	Pre-paid by Apollo; No Current Monthly Charge, except for additional investments as set forth by the contracts	Pre-paid by Apollo; No New Monthly Charge, but may be revised to reflect additional investments consistent with the contracts
Power Charge	One-Half of the Actual Monthly Power Expense	\$2,625/month; This is one-half of the 1993 average actual monthly power expense
New Subscriber Connection Charge	Installations provided by Apollo; Apollo charges GTECA \$55.00/install and \$15.00/TIM; GTECA charges back Apollo One-Half of these costs	\$112.50/install
Subscriber Reconnect	See above	\$37.50/reconnect
Maintenance	Routine System Maintenance is provided for GTECA by Apollo, for which GTECA pays Apollo \$37,276/month; however, Apollo pays GTECA \$18,638/month for	Maintenance will be provided GTECA At No Charge to Apollo; Apollo saves \$18,638/month and its costs to perform maintenance

maintenance on its 39 channels

[DE-REGULATED CHARGES]

Decoder Installation*	Per Installation Agreement, ¶5, This is Provided by Apollo at No Charge to GTECA; GTECA provides the materials	Apollo Charged One-Half of Actual Cost; \$26.75/1st install on trip and \$10.50/additional installs on same trip
ISW/Decoder Maintenance	Currently provided under Maintenance Agreement; no additional charge to Apollo	Maintenance provided by GTECA; No Additional Charge to Apollo

[OTHER CONTRACTS]

* Installation Agreement between GTECA and Apollo will be terminated in accordance with and as permitted by its express terms, on July 17, 1994. This is not a tariff matter.

Service Agreement between Service Corp. and Apollo will be terminated in accordance with and as permitted by its express terms, either on July 1 or July 17, 1994. This is not a tariff matter.

Sub-Lease of Headend Space between GTECA and Apollo: GTECA has no present intention to terminate this sub-lease but will do so if the Commission finds to be it inconsistent with 47 U.S.C. § 533(b) and 47 C.F.R. § 63.54(c).